



Daily Report

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General

Spokesman on Iraq's Acceptance of UN Resolution

OW0312080593 Beijing XINHUA in English 0754 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—A spokesman of the Chinese Foreign Ministry said here today that China welcomed Iraq's acceptance of Resolution 715 of the UN Security Council, and hoped that Iraq would keep on the track of positive cooperation with the United Nations.

The spokesman made the remarks in response to a question raised by a correspondent.

The 715 Resolution, adopted by the UN Security Council in October, 1991, demands that Iraq's weapon programs be put under United Nations' long-term monitoring.

Envoy to UN Pledges Support for Palestinians

OW0212133993 Beijing XINHUA Domestic Service in Chinese 0719 GMT 30 Nov 93

[By reporter Liu Qizhong (0491 0366 0022)]

[Text] United Nations, 29 Nov (XINHUA)—Li Zhaoxing, China's permanent representative to the United Nations, said on 29 November that China will, as always, continue to promote the development of the Middle East peace process along with the international community, particularly with the countries in the Middle East. He added that China will do its best to support and provide aid to the Palestinian people to rebuild their homes.

While speaking at a discussion session on the Palestinian issue at the 48th UN General Assembly [UNGA] this afternoon, Li Zhaoxing spoke of the major change that has occurred in the situation in the Middle East since the last UNGA session. Thanks to joint efforts, the Palestine Liberation Organization and Israel finally recognized each other and signed an agreement on practicing autonomy, first in the areas of Gaza and Jericho. He said China appreciates and supports this major breakthrough in the Middle East peace process as it is an important step toward full restoration of the legitimate rights of the Palestinian people and the realization of a comprehensive and lasting peace and stability in the Middle East.

At the same time he stressed that there is still a long way to go for a comprehensive and equitable solution to the Palestinian issue and he predicted tortuous and difficult negotiations ahead. He said China hopes that the Palestinians and the Israelis will adopt a flexible and pragmatic attitude, work ceaselessly and unremittingly, and strive for an early and comprehensive peace in the Middle East.

'News Analysis' on U.S. Role in Mideast Talks

OW0312111293 Beijing XINHUA in English 1038 GMT 3 Dec 93

["News Analysis" by Liu Ruhua: "Can Christopher Crack the Hard Nut"]

[Text] Jerusalem, December 3 (XINHUA)—Can Warren Christopher crack the hard nut of the Israeli-Syrian deadlock in the peace process when the U.S. secretary of state winds up his week-long tour to the Middle East that begins today?

This is the question raised by many here in Israel, even though few people are absolutely sure of the answer.

Arriving in the Jewish state tonight, the U.S. secretary of state is expected to focus his attention on the Israeli-Syrian track by mainly shuttling between Damascus and Israel.

According to the schedule available here, Christopher will arrive in Jerusalem three times and Damascus two times during his trip, with one stay in Cairo and one possibly in Amman.

It is generally believed here that shuttle diplomacy is a riskier practice since it can raise higher expectations than usual visits.

However, if the U.S. secretary of state has made up his mind to do so, it is speculated, he must have some confidence that backs up his third trip to the region in less than one year.

Ever since the signing of the Israeli-PLO peace accord in Washington on September 13, the Israeli-Syrian issue has been figuring prominently, thus giving the United States a chance and a challenge to play its part.

Being left out in the Oslo Agreement that culminated in the Israeli-PLO peace accord, Washington has apparently decided to seize this opportunity and push for a breakthrough on the Israeli-Syrian track, which is undoubtedly of no less importance than the Palestinian one.

But, given the chance, is Washington sure of its mediating role in bringing Israelis and Syrians closer and possibly creating a turning point in Israeli-Syrian relations?

The answer is affirmative.

Firstly, both Syria and Israel have explicitly expressed their desire that the United States exert its influence in narrowing the gap between the two sides.

Syria has even gone one step further by saying it wants Washington to be the sole mediator in the negotiations with the Jewish state.

Secondly, Damascus has repeatedly rebuffed Israeli Prime Minister Yitzhaq Rabin's call for secret talks with Syria in order to achieve progress, insisting that it is only interested in open talks in the U.S. capital.

Thirdly, Israel has also expressed its wish that talks with Syrians can resume sooner in Washington where 11 rounds of bilateral Middle East peace talks have so far been held without success.

Becoming the favorite of both Israelis and Syrians as far as peace is concerned, the Americans now find themselves much room to manoeuvre when it comes to the Israeli-Syrian deadlock.

Returning to the Middle East for a third time and shuttling between Syria and Israel, Christopher will have much to do and much to gain, if the other two parties continue to show genuine interest in achieving progress.

Preoccupied as it is with the implementation of its peace accord with the PLO, Israel has made it perfectly clear that it has no intention to push Damascus aside.

Whenever there is a chance for progress with Syria, Israel will take it, claimed its leaders.

As for Syria, President Hafiz al-Asad has indicated recently that as long as Israel declares Syrian sovereignty over the Golan Heights he would immediately start talks with the Jewish state.

But, will Israel do that? So far, it has been demanding that Damascus define what it means by peace first before Israel commits itself to explain the extent of Israeli withdrawal from the Golan Heights Israel seized from Syria in 1967.

Unlike the occupied Gaza Strip and the West Bank which it has never annexed for fear of becoming a bi-national state of Jews and Arabs, Israel declared its sovereignty over the plateau when its parliament adopted the Golan Heights Law in 1981.

Difficult as the hard nut appears, the U.S. secretary of state is believed to be on the verge of cracking it even though he is likely to go back home this time with only assurances from both Israel and Syria on agreeing to the resumption of their talks next January.

But, as Christopher and everyone know it, if Syrians and Israelis make their decisions to meet each other in the coming month in Washington, they are almost sure to bring with them something very positive and substantive which they failed to produce in the previous rounds that ended in nowhere.

Should that prove to be true, the U.S. secretary of state will certainly be viewed as a seasoned diplomat who has cracked, or at least helped crack, a hard nut that is currently blocking a comprehensive settlement to the Middle East problems.

'Round-up' on Seattle's APEC Ministerial Forum
OW2011003193 Beijing XINHUA in English 0005 GMT
20 Nov 93

["Round-up" by Wang Nan: "APEC Meeting: a Step Toward Global Trade"]

[Text] Seattle, November 19 (XINHUA)—It is fair to say that because of its timing, the fifth ministerial meeting of Asia-Pacific Economic Cooperation (APEC) forum has taken on additional significance and urgency.

Coming between the passage of a major free trade agreement in the U.S. and the imminent deadline of global trade talks, the meeting caught unprecedented attention from around the globe.

What's behind all these, observers here said, is the dynamic and exciting economic development along the Pacific rim and its vast potential for expanding regional trade.

And when it comes to its conclusion today, APEC, the four-year-old organization on trade consultation, has taken on added weight in the world trade and economic arena.

Appealing for a successful end of the global trade talks under the General Agreement on Tariffs and Trade, APEC ministers agreed on a package of tariff reduction measures that make earlier offerings by the industrial nations in similar areas not worth mentioning.

"APEC ministers have taken a major step forward in providing new energy for the Uruguay Round negotiations," said U.S. Trade Representative Mickey Kantor at the conclusion of the meeting.

APEC's message is clear: A substantial result in market access for manufacturers, agriculture and services, combined with a strong set of rules and discipline, should produce a result that people can all celebrate.

Observers here said that the new trade initiatives offered by APEC members, specially the sectors not covered by the so-called quad countries of the U.S., Japan, the European Community and Canada in July, are a great contribution to the liberalization of global trade system.

With the aim that APEC is a building block, not a trading bloc, APEC members challenged other Uruguay Round participants to improve their market access offers in Geneva, observers said.

Among the other highlights of the two-day meeting are the establishment of a trade and investment committee within APEC, reviewing of Eminent Persons Group's grand vision for APEC in the coming years, and admission of another two new members into the organization.

APEC, established in 1989, was mainly a means of trade consultation and facilitation. Discussion of specific trade liberalization efforts came up only last year.

Controversies surrounding the future identify of APEC, namely a consultation group or a more open economic community, made the Seattle meeting even more noticeable.

The U.S., which advocated a more open and action-oriented APEC, has to take into account the opinions, especially those from Southeast Asia, which favored a go-slow approach towards APEC's pace of movement.

The Eminent Persons Group, in its report to the ministerial meeting, suggested that APEC evolve into Asia Pacific Economic Community, and asked APEC members to set specific trade liberalization timetable by 1996.

"We believe that it would be premature at this time to set a target date for achieving free trade," said Fred Bergsten, chairman of the group. "We are not proposing creation of another European Community."

While admitting Mexico and Papua New Guinea as new members, in addition to the promise of admitting Chile next year, APEC also said that it will be more cautious in admitting new members, and no other new members in three years.

Calling it a historic gathering, Washington has in its mind the economic weight of Asia and Pacific region in America's long-term economic health.

Asia and the Pacific, as the fastest growing area in the world, own half of the world's output and 40 percent of world trade.

Said U.S. President Bill Clinton today, "APEC reflects the Asian Pacific values of harmony and consensus building. Our goal this week will be to do some of both."

The informal leaders meeting of APEC members, the first of its kind and to be held tomorrow, observers here said, serves to tell the world that APEC and a more open trade system it symbolizes should be the trend of the day.

Commentary Discusses APEC, Seattle Summit

OW2011045693 Beijing BEIJING REVIEW in English No 46, 15-21 Nov 93 p 4

[Commentary by guest commentator Ma Huang: "Lime-light on Seattle APEC Gathering"]

[Text] The fifth ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) is to be held in the picturesque coastal city of Seattle, the United States, from November 16 to 20.

Immediately following the ministerial meeting, top leaders of APEC members will meet to discuss regional economic development for the first time since its founding. This, especially Chinese President Jiang Zemin's meeting with US President Bill Clinton, has aroused worldwide attention.

APEC's first meeting was held in Canberra, Australia in November 1989. The regional organization's initial member states included Australia, Brunei, Canada, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand and the United States. Its member economies increased to 15 when the People's Republic of China, Chinese Taipei and Hong Kong joined APEC as full participants in the 1991 Seoul meeting.

APEC is aimed at promoting global trade liberalization and economic, trade, investment and technological cooperation in the Asia-Pacific region. APEC has a permanent secretariat in Singapore. Its 10 sectorally based working groups are involved in trade and investment data review; trade and investment; technology transfer; human resources development; energy; marine resources conservation; telecommunications; transportation; and tourism.

The annual gathering of APEC has become the most important forum for Asia-Pacific countries and regions to discuss regional economic and trade cooperation.

The United States has held the APEC chair this year. In June this year President Clinton proposed that an informal dialogue of top leaders of APEC members be held in Seattle. The US proposal has served two purposes.

First, Washington is paying more attention to the Asia-Pacific region. Since the 1980s, the United States and some European states' economic development has slowed down and trade protectionism prevailed. Only the Asia-Pacific region has witnessed a flourishing and dynamic economic growth. Over the past 10 years, the regional economic growth rate has stayed at about 7 percent, three times the world's average.

Moreover, US exports and investment have increased most rapidly in the Asia-Pacific region. According to statistics, US trade with the region was valued at US\$344 billion, 50 percent higher than with its European trade partners.

Since Clinton assumed office as US president early this year, he has made US economic rejuvenation the priority of his administration. He has understood that it is critically important for the United States to enthusiastically participate in Asia-Pacific economic development and expand its exports to the region.

Second, by hosting an informal dialogue of top leaders of APEC member economies, Washington strives to advance its concept of a Pacific Community of shared interests, values and goals, and hopes to play a dominant role in the region.

Clinton's proposal received cautious welcome from APEC member economies. To boost the regional economic cooperation and expand economic links with other regions, all the APEC leaders, with the exception of Malaysia, have agreed to attend the meeting.

However, the leaders will express their different opinions about Washington's dominant role in Asia-Pacific region and the American-style democracy. They are eager to achieve progress in expanding trade and investment, and to strengthen technological cooperation.

During the APEC meeting, the most significant event will be the summit meeting by the heads of China and the United States, the first such meeting in four years. The two countries face differences and difficulties, but at the same time, share common interests and broad development prospects. Chinese leaders have long valued Sino-US relations, stating that improved Sino-US links are not only beneficial to the peoples of the two countries, but also to regional and world peace and stability.

The US side has increasingly understood that effective cooperation between China and the United States in international politics, security, economy, trade and China's development will bring about tremendous benefits to Asia and the rest of world as well.

China has stressed the importance of the summit meeting, hoping it can promote mutual understanding, improve and develop Sino-US bilateral relations.

Jiang Meets Indonesia's Leader in Seattle 19 Nov
OW2011001593 Beijing XINHUA in English 2336 GMT
19 Nov 93

[Text] Seattle, November 19 (XINHUA)—Chinese President Jiang Zemin said today that the principles of the Non-Aligned Movement are still practical.

Jiang made the comment in a meeting here with Indonesian President Suharto, during which they were both pleased to meet again in three years.

Jiang said that since the resumption of the diplomatic relationship between the two countries three years ago, the bilateral relations have been developed smoothly.

There are steadily increased economic cooperation and contact in all fields as well as frequent exchange of high-level visits between the two countries, Jiang said, adding that China also is expanding cooperation with other ASEAN countries.

Suharto said that he is very happy to see that there is ever-increasing cooperation between the two countries in international matters as well as in bilateral relations. He congratulated China on its progress in the economic development.

President Jiang said that "in the current international situation, there is still practical significance with regards to the principles and objectives of the Non-Aligned Movement, and we appreciate the positive contribution Indonesia, as its chairman, has made to the revitalization of the movement."

He expressed thanks for the support that Indonesia and other countries have given in approving China as the observer status of the Non-Aligned Movement.

Suharto said that since the summit of the Non-Aligned Countries last year, the movement has focused on economic cooperation and partnership, and among the South countries in particular.

The Chinese and Indonesian leaders agreed that the Asia-Pacific Economic Cooperation should give full consideration to the regional diversity and the cooperation should be gradual.

Harbin To Host 1996 Winter Asian Games
OW0212140593 Beijing XINHUA in English 1224 GMT 2
Dec 93

[Text] Kuwait City, December 2 (XINHUA)—China was chosen on Thursday [2 December] by the Olympic Council of Asia [OCA] to host the 1996 Winter Asian Games in its northernmost city of Harbin.

At its 12th session, the OCA chose the Chinese city instead of Seoul of South Korea as the host city of the Third Asian Games in winter.

Seoul was picked to host the next winter Asiad in 1999.

Ukraine Official on Abiding by Nuclear Agreement

OW0212045893 Beijing XINHUA in English 0214 GMT 2
Dec 93

[Text] Kiev, December 1 (XINHUA)—Ukraine has in no way violated the U.S.-Soviet nuclear disarmament agreement on disposing of its nuclear weapons, chairman of the Ukrainian Supreme Soviet Ivan Plyushch said today.

Plyushch told a press conference here that Russia's criticism of Ukraine's nuclear policy is unreasonable.

The nuclear weapons deployed during the Soviet era in Ukraine have come under its supervision and become its national property together with some conventional weapons, as stipulated in the agreement of property division among the former Soviet Republics, he emphasized.

The chairman also said president Leonid Kravchuk is entitled to having his own ideas, presenting them to the parliament for discussions or raising objections to parliamentary decisions.

In a telephone conversation with U.S. President Bill Clinton earlier this week, Kravchuk expressed his hope that the new parliament to be formed next March will discuss the Start I Treaty.

United States & Canada

Report on U.S. Decision To Sell Supercomputer
OW2011041793 Beijing XINHUA in English 0405 GMT
20 Nov 93

[Text] Washington, November 19 (XINHUA)—The Clinton administration decided to approve the sale of an eight-million-dollar supercomputer to China just before President Bill Clinton's meeting with Chinese President Jiang Zemin in Seattle this afternoon, reports reaching here said.

The administration has also decided to lift the ban on important components for China's nuclear power plants such as generators, today's NEW YORK TIMES quoted senior U.S. Commerce Department officials as saying.

That could mean billions of dollars in sales for the General Electric Company which has begun to break into the burgeoning nuclear power market in China, the paper said.

The supercomputer is made by the Cray Research Inc. and is for use in weather prediction by China's State Meteorological Administration, the paper said.

U.S. Secretary of State Warren Christopher relayed the U.S. decision to his Chinese counterpart Qian Qichen in Seattle Wednesday [17 November], the paper said, adding that in informing Qian Qichen, Christopher did not ask for any concessions from Beijing.

The decision is part of the Clinton administration's strategy to embrace, rather than isolate, China despite disagreements over human rights, weapons proliferation and trade, the largest U.S. newspaper said.

President Clinton defended the sale in Seattle, saying "we don't believe we can achieve our objectives within the context of complete isolation," according to an AP report. Selling the supercomputer to China "is an important indication that we are willing to work with them if they will reciprocate across a whole broad range of issues involving human rights, proliferation and trade," Clinton said.

Clinton also said that China could have bought the computer elsewhere, the AP report said.

The Clinton administration is determined to grab an ever-larger share of China's market, the fastest growing in the world, and reduce a trade deficit that could exceed that with Japan by the end of the decade, THE NEW YORK TIMES said.

Christopher also said that the United States would be prepared to interpret an American law governing the export of two of the seven sophisticated American-made satellites banned by sanctions imposed on China last August, the paper quoted senior U.S. Government officials as saying.

"But the administration could offer such a gesture only if China opened formal talks on the sanctions and its missile sales, which thus far it has refused to do, arguing that the sanctions had to be lifted first," the paper added.

U.S. Computer Firm To Sell Software in China

OW0312100793 Beijing XINHUA in English 0956 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—A spokesman for Apple Computer, Inc., the second largest computer company in the world, said the company will actively develop computer software in China.

David Nagel, senior vice president and general manager of Applesoft, said Apple will introduce new software in the quickly expanding Chinese market.

Apple opened its first representative office in China on September 1 of this year in Beijing, following other international computer giants into the booming computer market here.

Before opening in Beijing, Apple designed special products and software for the Chinese market, Nagel said when reviewing Apple's marketing strategy in China.

Nagel said apple will be introduced to Chinese users a graphic based operating system that can use both English and Chinese (simplified and traditional). Apple's multimedia products will also be presented. Its leading edge technology will be offered at an affordable price, Nagel said.

"Apple's presence in the (Chinese) market acts as a catalyst for the Chinese computer industry," Nagel said.

He added that Apple will host a technology forum for local Chinese to outline current global trends in software development.

U.S. Firm Wins Oil Exploration Contract

OW3011132693 Beijing XINHUA in English 1241 GMT 30 Nov 93

[Text] Beijing, November 30 (XINHUA)—The Exxon Corporation has won a contract for oil and gas exploration in the East China Sea.

The contract was signed by Wang Yan, president of the China National Offshore Oil Corp. (CNOOC) and Jon L. Thompson, Exxon's vice-president, at the Great Hall of the People here today.

This is the seventh contract China has signed with foreign oil corporations for risk exploration in part of the East China Sea.

The block, won by Exxon Corp. is coded as Donghai 34/02. Situated 250 km off the coast of Wenzhou in Zhejiang Province, it covers 2,120 square kilometers and has an average depth ranging from 80 to 100 meters.

During the seven years of the contractual period, the Exxon Corporation will bear all the risks of the exploratory drilling, including the gathering and analysis of seismic data.

China began to seek foreign cooperation in the risk oil and gas exploration in the East China Sea in June of this year. Since then, China has received bidding proposals from 17 oil corporations from seven countries. Six more contracts are expected to be signed by the end of this year.

Exxon, together with Shell, has entered into five petroleum contracts and agreements with the CNOOC and discovered an oil field and a gas field in the basin near the mouth of the Pearl River in the South China Sea.

Experts say China's continental shelf has good prospects for oil and gas. Up to the present, oil reserves have been verified to be 1.01 billion tons and gas reserves, 14 billion cubic meters.

China's offshore crude output is expected to reach 4.6 million tons this year, 27.7 percent above what has been planned by the state.

Northeast Asia

Song Jian Signs Scientific Agreement in Japan

OW3011163293 Beijing XINHUA in English 1604 GMT 30 Nov 93

[Text] Tokyo, November 30 (XINHUA)—China and Japan agreed today to facilitate bilateral cooperation on earth science and ocean observations in the north Pacific, according to Chinese officials.

Chinese Science Minister Song Jian and his Japanese counterpart Satsuki Eda formulated the agreement during talks in Tokyo.

Song, state councillor and minister of the State Science and Technology Commission, and Eda, state minister and director general of Japan's Science and Technology Agency, also agreed to promote exchanges of information

and cooperation in such areas as nuclear safety, scientific policy research, high-tech development, basic science studies and new materials.

In addition, Beijing and Tokyo signed a memorandum allowing China to directly receive data on the earth's resources from the Japanese satellite Fuyo, the officials said.

At today's ministerial meeting, Song, who arrived on Monday [29 November] for a 10-day visit, also expressed his satisfaction with the smoothly developing cooperation and with achievements made in the various fields.

He expressed the hope that such cooperation between the two countries will be expanded and develop further.

Eda, stressing the importance of Sino-Japanese cooperation on science and technology, hailed the progress made in these fields over the past 13 years, the Chinese officials added.

Jilin Secretary Receives Japanese Trade Group

SK0212094593 Changchun Jilin People's Radio Network in Mandarin 2300 GMT 1 Dec 93

[Text] Secretary He Zhukang and Su Rong, standing committee member and secretary general of the provincial party committee, cordially met with all the members of a trade and investment group from Japan's Nagano Prefecture led by (Kinoshita Masagi) at (Zhongyue) Guesthouse on the evening of 1 December. Both sides held friendly talks in a relaxed atmosphere.

He Zhukang extended a warm welcome to the Japanese guests. He briefed them on Jilin's achievements in economic development and opening to the outside world. He said: Jilin Province has achieved great development in opening to the outside world over the past few years. Since the publication of Comrade Deng Xiaoping's important speeches given during his south China inspection, the province, like elsewhere in the country, has especially developed all its undertakings by leaps and bounds.

He also introduced the Japanese guests to the work that needs to be done in Jilin's economic development and opening to the outside world after the third plenary session of the 14th party Central Committee. He wished the Japanese guests positive results in cooperating with the relevant fields of the province.

(Kinoshita Masagi) thanked He Zhukang for meeting with the group. He pledged to make as many contributions as possible to the development of friendship between Japan and China and to the economic development of Jilin Province.

Jiang Chunyun Receives Mongolian Delegation

OW3011141393 Beijing XINHUA in English 1354 GMT 30 Nov 93

[Text] Jinan, November 30 (XINHUA)—Jiang Chunyun, member of the Political Bureau of the Communist Party of China (CPC) Central Committee and secretary of the CPC Provincial Committee of east China's Shandong Province,

met here today with a delegation from the Mongolian People's Revolutionary Party.

The delegation, headed by Sanduyjabyn Dashdabaa, has come to visit China at the invitation of the CPC.

Beijing Hosts ROK City Textile Exhibition

SK0212140193 Beijing China Radio International in Korean 1100 GMT 1 Dec 93

[Text] The Taegu, ROK, Textile Exhibition-93 opened yesterday morning at Beijing International Exhibition Center. Present at the rostrum at the meeting place were (O Mun-hyon), chairman of the China Textile Association; Zhang Baifa, Beijing deputy mayor; Hwang Pyong-tae, ROK ambassador to China; and officials of Taegu, ROK.

Taegu Mayor (Yi I-il) stated that the Taegu Textile Exhibition, which opens at a time when the ROK and China are marking the first anniversary of the establishment of diplomatic relations between the two countries, is the first such exhibition organized by an ROK regional government and the largest exhibition for a single-industry exhibition and that this exhibition will reconfirm friendship between the ROK and the PRC.

His speech was followed by a speech by (Gye Gukcho), chairman of the [name indistinct] Chapter of the China Council for Promotion of International Trade. He said that Taegu is the center of ROK's textile industry and has contributed to developing ROK's national economy and improving the lives of the people of the ROK.

He also said that he firmly believed that the Taegu Textile Exhibition would greatly contribute to expanding collaboration and exchange between the two countries in the textile industry.

The Taegu Textile Exhibition will continue until 4 December.

Near East & South Asia

Pakistan President Gives Medal to Zhang Wannian

OW0212142493 Beijing XINHUA in English 1339 GMT 2 Dec 93

[Text] Islamabad, December 2 (XINHUA)—Pakistan President Farooq Leghari conferred here today a military medal on visiting Chinese General Zhang Wannian for his contribution to Pak-China friendship.

Zhang Wannian, chief of general staff of the People's Liberation Army of China, respectively called on President Farooq Leghari and Prime Minister Benazir Bhutto and discussed issues of common interest with them.

Earlier this morning, General Zhang Wannian also called on General Shamim Alam Khan [name as received], chairman of joint chiefs of staff committee, and exchanged views with him on matters of professional interest.

General Zhang planted a sapling in the lawns of the joint staff headquarters to mark the friendship between the armed forces of China and Pakistan.

General Zhang arrived in Pakistan Wednesday [1 December] for a six-day official visit to Pakistan at the invitation of General Shamim Alam Khan.

Officials Receive Pakistan Defense Minister

OW0312123893 Beijing XINHUA in English 1230 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—A senior Chinese military leader said here today that China is willing to develop friendly relations with its neighboring countries, which is conducive to regional peace and stability.

Liu Huaqing, vice-chairman of China's Central Military Commission, made the remark during a meeting with visiting Pakistan Defense Minister Aftab Mirani and his party here this afternoon.

Extending his welcome to the Pakistani guests, Liu said that China and Pakistan and their armed forces enjoy friendly relations, adding that such relations will surely be strengthened through the current visit by Mirani.

Bilateral relations have been developing smoothly since the two countries established diplomatic ties more than 40 years ago, he said, and the two have supported and helped each other in international affairs.

Being developing countries, Liu said, China and Pakistan share common points in many ways, and both of them are developing their national economies to raise the people's living standards.

Briefing the guests on China's domestic situation, Liu stressed that China needs a peaceful world environment to concentrate on its economic construction, and thus it is willing to maintain and develop good relations with its neighbors.

Mirani expressed his thanks for the assistance that China has given to his country. He said that Pakistan-China ties are solid and have withstood the tests of time, and he hopes that such ties will be better developed.

Chi Haotian, Chinese State Councillor and minister of national defense, was present at the meeting.

Mirani and his party arrived here yesterday as Chi's guests. This morning, Chi and Mirani held talks regarding relations between the two armed forces.

Spokesman Says Pakistan's Bhutto To Visit

OW0112130093 Beijing XINHUA in English 1249 GMT 1 Dec 93

[Text] Islamabad, December 1 (XINHUA)—Pakistan Prime Minister Benazir Bhutto will pay an official visit to China from December 27 to 29, a Foreign Office spokesman announced today.

"Exemplary friendship with China is the corner stone of Pakistan's foreign policy," the spokesman said at a weekly press briefing at the Foreign Office here.

The prime minister's visit to China signified the warm and cordial relations between the two countries, the spokesman said.

Pakistan and China, he said, had identical views on many regional and international issues and both had been cooperating on various matters of mutual interest.

Benazir will visit Turkey and Iran before going to China.

PLA Deputy Chief Receives Jordanian Commander

OW0212152093 Beijing XINHUA in English 1235 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—Xu Huizi, deputy chief of the General Staff of the Chinese People's Liberation Army (PLA), met with Prince 'Abdallah bin al-Husayn, commander of the Jordanian Special Forces, and his party and hosted a dinner in their honor here this evening.

The Jordanian guests arrived here yesterday for a four-day goodwill visit to China as guests of the headquarters of the PLA General Staff.

Rong Yiren Meets Commander

OW0312113193 Beijing XINHUA in English 1113 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—In a meeting today with a Jordanian leader, Chinese Vice President Rong Yiren said that Sino-Jordanian relations have been developing smoothly and that the two sides can strengthen cooperation in more areas.

Rong made the remark during his talk here with visiting Jordanian Royal Highness Prince 'Abdallah bin al-Husayn, commander of the Jordanian Special Forces.

Rong extended a welcome to the Jordanian prince and his party, and said that China and Jordan share views on many issues. Rong added that exchanges of visits by leaders of the two countries have helped further mutual understanding.

Rong also briefed the guests on the development of China's economy.

Abdulah conveyed greetings from King Husayn to Chinese leaders. Abdulah said that the king pays close attention to China's economic construction and hopes that Chinese experience can be introduced to the Jordanian people.

This afternoon, Chinese State Councillor and Defense Minister Chi Haotian met with and feted the prince at the Diaoyutai State Guest House.

They reviewed the development of friendship between the two armed forces and exchanged views on strengthening military exchanges and contacts.

The prince and his party arrived here Wednesday evening for a four-day goodwill visit to China as guests of the headquarters of the General Staff of the Chinese People's Liberation Army.

West Europe

NPC Vice Chairman Meets EC, German Guests

OW0312120793 Beijing XINHUA in English 1144 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—Wang Guangying, vice-chairman of the Standing Committee of the Chinese National People's Congress (NPC), met here today with a delegation of the European Community (EC) headed by Reinhard Buescher, chief of the Vice President Office of the EC Committee.

They expressed the wish to make efforts for the steady development of the relations between China and European Community and Germany.

Wang also met with a delegation from Germany's Northrhine-Westfalen State, headed by Hartmut Krebs, deputy minister of economics and technology of the state, here today.

The EC and German guests attended a seminar on the united European market and China, which ended here this morning.

German Scholars Attend Beijing Forum on EC Ties

OW0212142693 Beijing XINHUA in English 1358 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—A seminar on the united European market and China, co-sponsored by two research institutions, from China and Germany, opened here today.

The two institutions are from the International Liaison Department of the Central Committee of the Communist Party of China (CPC) and Germany's North-Westfalen State.

Addressing the two-day meeting, Li Shuzheng, head of the CPC department, said that the seminar will focus on exploring ways to promote cooperation between the united European market and China.

This should be conducted in line with the spirit of mutual respect, seeking common points while preserving differences and deepening mutual understanding, Li said.

Li emphasized that China has always attached importance to its long and steady friendly cooperation with the member states of the European Community (EC).

She expressed the belief that the economic and trade cooperation between EC countries and China will develop further.

Participants in the seminar held discussions on the challenges and opportunities for China in the context of the formation of the united European market.

Heilongjiang Signs Contract With German Firm

SK2711064093 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 26 Nov 93

[Text] The second machine tool plant of Qiqihar city recently signed a reserve contract on a joint venture with the (Alvot) Machinery Company of Germany in Beijing Municipality. The contract involves total investment of 30 million marks. The contract is one of the 16 cooperative projects signed in the Great Hall of the People in Beijing by Premier Li Peng and Chancellor Kohl during his visit to China. The Chinese side will make a 51 percent investment in the joint venture project that will be carried out in the machine tool plant in Qiqihar, and the German side will invest 49 percent.

German Bank Establishes 'Mission' in Shanghai

OW0112160093 Beijing XINHUA in English 1529 GMT 1 Dec 93

[Text] Shanghai, December 1 (XINHUA)—Commerzbank, one of the three largest international banks in Germany, set up a mission here today as its preparation for a branch.

The mission would escalate to become a branch as soon as the bank got approval from the Chinese authorities, said Martin Kohlhaussen, management board chairman of the bank.

Martin Kohlhaussen has been to China every year since 1981. He arrived on his latest trip to China two weeks ago as a member of the group led by German Chancellor Helmut Kohl.

The banker said that Commerzbank had paid great attention to Shanghai, which is being built into an international banking center, and had actively participated in banking business in Shanghai.

It invested in the Shanghai center and acted as co-chief manager for the recent 70 million U.S. dollars bond issue by Shanghai International Trust and Investment Corporation, which was mainly used to finance a newly-built oil refinery and a petrochemical project.

It also provided 420 million U.S. dollars in credit to Shanghai Volkswagen Automotive Company in June this year.

In April this year it again acted as co-chief for a 100 million U.S. dollar bond issue by the Bank of Communications in Europe.

It also participated in the over 900 million U.S. dollar credit program in China's telecommunications industry.

It has set up the mission to strengthen its status in China and support and promote Sino-German trade, Kohlhaussen said.

Commerzbank, which accounts for about 15 percent of Germany's foreign trade loans, has 1,000 branches and 80 offshoots in 30 countries and regions.

Latin America & Caribbean

Uruguayan President Lacalle Continues Visit

Documents on Cooperation Signed

OW0212152693 Beijing XINHUA in English 1348 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—Chinese President Jiang Zemin and visiting Uruguayan President Luis Alberto Lacalle Herrera attended a signing ceremony here this evening of five documents on co-operation between the two governments.

They cover the economy, technology, agriculture, animal husbandry and fishery.

Chinese Vice-Premier and Foreign Minister Qian Qichen and his Uruguayan counterpart Dr. Sergio Abreu signed three documents, including the agriculture, animal husbandry and fishery co-operation agreement; one on encouraging and mutually protecting investments; and one on mutual exemption of diplomatic visas.

The other two agreements signed were a protocol on economic and technological co-operation between the two governments and a technological co-operation agreement between the State Administration for the Inspection of Import and Export Commodities of China and the Technological Laboratory of Uruguay.

Jiang, Lacalle Hold Talks

OW0212153993 Beijing XINHUA in English 1513 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—Chinese President Jiang Zemin and visiting Uruguayan President Luis Alberto Lacalle Herrera held talks here this afternoon, and they exchanged views on bilateral relations, international and regional situations and other issues of common interest.

Both sides expressed their satisfaction over the smooth development of bilateral relations and wished to make further efforts to develop cooperation between the two countries.

Jiang said that since the two countries established diplomatic relations in 1988, satisfactory results have been achieved in the extensive exchanges and cooperations between the two countries concerning politics, economics and culture.

He said he is convinced that the current visit by the Uruguayan president will enhance mutual understanding and friendship between the two countries and peoples, inject vigor into the good bilateral cooperative relations and accelerate the pace of bilateral relations.

Jiang said that China and Uruguay, both developing countries concentrating on construction and economic development, enjoy strong solidarity on international affairs, adding that Sino-Uruguayan friendly relations of cooperation have a strong political basis and a broad prospect for development.

On economic and trade ties, Jiang pointed out that such relations are the material basis for political relations.

He noted that the establishment of diplomatic relations between the two countries opened new areas for economic and trade ties.

The economies of the two countries are complementary, which embodies a vast potential for bilateral economic and trade relations. He added that China has become Uruguay's largest wool buyer.

Jiang said that China hopes that Uruguay encourages its enterprises to buy more Chinese products so as to achieve a continuous and stable development in bilateral trade on the basis of mutual benefit.

On the issue of the General Agreement on Tariffs and Trade (GATT), Jiang said that to set up and strengthen an open and universal multi-lateral trading system in the current complex and changing world, it is necessary for a sustained and stable development of the world economy.

He further pointed out that the resuming of China's contracting party status to GATT will not only be beneficial to China, but also to countries enjoying trade ties with China.

Jiang also thanked Uruguay for its support in this regard.

Lacalle said that it is important to keep a balanced world while it is evolving from a bipolar to a multi-polar stance, adding that Uruguay is especially concerned about China's role in this process.

He considered it very important for China and Uruguay to cooperate in such multi-lateral relations, stressing that Uruguay is willing to further explore various forms of cooperation with China.

Lacalle noted that Uruguay has all along supported the resuming of China's contracting party status in GATT, holding that the economy of each country will be able to develop faster only when international trade is developed.

Briefing Jiang on the south common market, Lacalle said that Uruguay can play an important role in the market.

Jiang appreciated the great progress in the organizing work of the south common market and Uruguay's efforts in this work, hoping that the market will make new achievements.

Lacalle invited Jiang to visit Uruguay at his convenience, which met appreciation and acceptance from Jiang.

Also during the talks, both sides introduced the economic development of their countries.

Those present at the meeting included Chinese Vice-Premier and Foreign Minister Qian Qichen, President of the China National Textile Council Wu Wenying, Chairman of the Chinese Government Reception Committee and Vice-Minister of Culture Gao Zhanxiang, Uruguayan Foreign Minister Abreu Sergio Bonilla and Uruguayan Economy and Finance Minister Ignacio de Posadas.

Lacalle arrived here at noon today from Shanghai by special plane for an official visit to China at the invitation of Chinese President Jiang Zemin.

This afternoon, Jiang held a welcoming ceremony in the central hall of the Great Hall of the People for the Uruguayan president, Mrs. Lacalle and their party, and Lacalle reviewed a guard of honor of the three services of the Chinese People's Liberation Army, accompanied by Jiang.

Qian Qichen, Qin Jiwei, vice-chairman of the Standing Committee of China's National People's Congress, and Xu Jialu, vice-chairman of the Central Committee of the China Association for Promoting Democracy, attended the welcoming ceremony.

This evening, Jiang hosted a banquet in honor of President Lacalle at the Great Hall of the People.

Lacalle Addresses Entrepreneurs

OW0312121493 Beijing XINHUA in English 1159 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—Visiting Uruguayan President Luis Alberto Lacalle Herrera expressed his hope here today that China and Uruguay develop relations at various levels.

Addressing a symposium attended by Chinese and Uruguayan entrepreneurs, the president said that while Uruguay will continue to export to China such traditional products as wool, fish and timber, entrepreneurs from two countries should work to enhance cooperation in broader areas.

He said that economic and trade relations between China and Uruguay date back decades and that his country favors an active expansion of bilateral trade relations.

He expressed the hope that the two-way trade will reach a new level through the current gathering.

China can expand its economic activities throughout south America by increasing links with the Uruguayan free zone, said the president.

The president reiterated Uruguay's strong support for the restoration of China's status as a contracting party in the General Agreement on Tariffs and Trade (GATT).

Lacalle also briefed symposium participants on the progress of economic integration among Brazil, Argentina, Paraguay and Uruguay.

He said that beginning January 1, 1995, these countries will become a integrated economic entity, which marks the most significant change since the independence of those nations.

Uruguay will be the passageway to this huge market, the president said. Developing relations with Uruguay will mean access to an important world trade region.

The world has entered a new era, and economic integration will become a major characteristic of international trade in the 21st century, he said.

Lacalle said that the purpose of his current visit to China is not only to strengthen traditional relations between the two countries but also to promote region to region co-operation.

Liu Fugui, vice-chairman of the China Council for the Promotion of International Trade, also delivered a speech at the symposium.

Li Peng Meets Lacalle

OW0312133193 Beijing XINHUA in English 1310 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—Chinese Premier Li Peng said here today that the Chinese Government attaches importance to developing Sino-Uruguayan ties and expressed the hope that the relations of the two countries will further develop on the basis of the Five Principles of Peaceful Coexistence.

Li made the statements when he and his wife Zhu Lin met here this afternoon with visiting Uruguayan President Luis Alberto Lacalle Herrera and Mrs. Lacalle and their party at the Diaoyutai state guest house.

Li noted that Sino-Uruguayan relations have developed smoothly since the two countries established diplomatic relations five years ago and the president's current visit is of great importance to further strengthening the friendship and cooperation between the two countries, Li said.

The premier said that China and Uruguay share identical views on many international issues. He told the Uruguayan president that the world, though relaxed to some extent after the collapse of the former Soviet Union, is not tranquil because some destabilizing factors still exist.

Li pointed out that it is an important mission for the peoples of the world to establish a new world political and economic order and to solve the issues concerning peace and development.

Compared with other regions in the world, Li said, the economies in East Asia and South America are maintaining the momentum of growth.

Though China and the countries of South America are located in different hemispheres, all are developing countries.

They have no conflicts of fundamental interests and should develop friendly relations of cooperation better and faster.

Li extended China's gratitude to Uruguay for supporting the restoration of China's seat as a signatory party in the General Agreement on Tariffs and Trade (GATT).

Li also briefed the guests on China's efforts to build a socialist market economy and its current reform and economic work.

Lacalle expressed thanks for the warm reception he was accorded during his stay in China.

The Uruguayan president said that the world is in for a period of dramatic change. The new world order is far from being established. He said that the means and content of state-to-state contacts have been strengthened, adding that China, as a big country, can play an increasingly effective role.

Lacalle said that the establishment of regional economic groups is an important facet of current diplomacy. With its

unique geographic advantage, Uruguay is actively participating in the activities of the Latin American regional economic group.

The president said that Uruguayan-Chinese ties are very good and that Uruguay supports the resumption of China's status as a signatory party in the GATT.

Lacalle said that Uruguay is willing to push forward bilateral relations together with China, especially in the economic relations and trade.

Political & Social**Detained HK Journalist To Be Tried Within Six Weeks***HK0312081993 Hong Kong MING PAO in Chinese 3 Dec 93 p a2*

[Report: "Xi Yang's Case Is To Be Tried in Court Within One and a Half Months"]

[Text] After meeting officials of the Supreme People's Court and Supreme People's Procuratorate yesterday, the pro-China Democratic Alliance for the Betterment of Hong Kong [DABHK] said that if there is no special event, Xi Yang's case will be tried by the court in one and a half months.

The DABHK members quoted the procuratorate official as saying that Xi Yang's case had been transferred by the Beijing Municipal State Security Department to the procuratorial organ. According to China's law, an accused is not allowed to meet with his family members before a criminal case is tried.

The official said that if there is no special event, Xi Yang's case may be arranged to go to court in about one and a half months. Before the case is brought to the court, the relatives of the accused cannot hire a lawyer for him.

Catholic Prelate Urges Vatican Break With Taiwan*HK0312065093 Hong Kong AFP in English 0635 GMT 3 Dec 93*

[Text] Beijing, Dec 3 (AFP)—China's senior Catholic prelate has called on Pope John Paul II to break the Vatican's relations with Taiwan as soon as possible to bring about reconciliation between the Chinese church and Rome.

In an interview with AFP, the bishop of Beijing, Monsignor Michael Fu Tieshan said the four million Chinese Catholics wanted to see the Pontiff visit China. But to do so he had to overcome the major obstacle—break diplomatic relations with Taiwan, he said.

Official contacts between China and the Vatican were broken off in 1957 after the Pope excommunicated two bishops chosen by the Chinese Communists. Diplomatic ties were established with Taiwan, the island refuge of the Nationalists led by Chiang Kai-Shek. Beijing then created a 'patriotic church' which is not recognised by Rome, nominates its own bishops and, according to Fu, has about four million faithful.

"The Chinese church has a lot of respect for the Pope and at every mass our priests pray for him," he said. But, he added, conditions were not right for a visit to China at the moment, although relations between the two churches were improving. "In life there are no eternal friends or eternal enemies and, personally, I would prefer that the normalisation process does not last like a marathon," he added.

Fu, 62, is vice-president and secretary-general of the Chinese Episcopal Conference and is the only religious leader who sits on the permanent committee of the National People's Congress.

The other obstacle to normalisation, he said, concerned "respect for the sovereignty and autonomy of Chinese Catholics. But the most important thing is to first break relations with Taiwan, and then we can discuss between Churches," he said.

China accuses the Vatican of interfering in its religious affairs by supporting what is known as the 'silent church' which remains faithful to the Holy See and has about three million followers. According to humanitarian organizations, dozens of priests have been detained and some tortured to death for refusing to join the official church.

"It is true that within our church there are disagreements," said the bishop. "But we have the same belief, the same God, our church is a branch of the great Catholic church tree, and we hope they will come back to us, as have several underground priests to whom we have given churches."

On detained priests, Fu said that civil service friends had maintained there was "not one priest left in prison." But he said he did not know whether other priests might be under house arrest or in re-education camps, without ever having been sentenced. In a goodwill gesture to the Vatican, Beijing last month freed two Chinese bishops who disappeared in December 1990.

Another step on the path to normalisation was taken with the September visit to Beijing of French Cardinal Roger Etchegary, the Pope's special envoy. Etchegary said the links between the two churches were being renewed "little by little" and felt that Chinese officials "wanted to turn over a new leaf." "I met him, and this visit was a good thing" for relations between China and the Vatican, said Fu.

Fu considered that the situation of Catholics in China had improved over the past 10 years. A total of 4,000 churches had been restored, 12 large seminaries were active and 50,000 baptisms took place every year. "But we have only 1,000 priests and 70 bishops," he said, adding "I think we will fill the shortfall within 10 years."

Since September 1992 religious authorities have authorised the mass to be said in Chinese instead of Latin and hundreds of thousands of Bibles in Chinese have been published over the past few years.

China To Publish Human Rights Journal in 1994*HK0312072893 Hong Kong MING PAO in Chinese 3 Dec 93 p A13*

[By special correspondent Lu Tan (4151 0030): "The CPC Is To Publish RENQUAN ZAZHI Next Year in an Attempt To 'Put Right Confused and Incorrect Understanding' on the Human Rights Issue"]

[Text] To fight back the unceasing attacks launched by the United States and other Western countries on China's human rights record, the highest Chinese authorities have

decided to start publication of RENQUAN ZAZHI [HUMAN RIGHTS JOURNAL] in an attempt to "clear up doubts" and "put right confused and incorrect understanding" on the human rights issue.

According to sources in Beijing, it is already one year since the CPC hierarchy changed its attitude toward the human rights issue. An instruction has been issued that China should not passively avoid the "attacks" launched by Western countries against China's human rights record; on the contrary, China should boldly hold high the banner of human rights, introduce to the world as well as its nationals a correct "outlook on human rights," and give wide publicity to China's "accomplishments" in safeguarding human rights. It was against such a background that the State Council Information Office issued the "White Paper on Human Rights"; and the decision to publish RENQUAN ZAZHI represents the latest move in further implementation of this propaganda principle.

Sources in Beijing have disclosed that RENQUAN ZAZHI will be run under the leadership of the State Council Information Office, and its editorial staff will mainly come from various press units, including RENMIN RIBAO. Yu Quanyu, former director of RENMIN RIBAO's Theoretical Department, is among the management team of the new journal.

The monthly journal is expected to start publication during the first quarter of next year, and will be issued both domestically and overseas. The sources indicate that this journal will "mainly center on positive propaganda" and will offer "comprehensive and accurate" explanations of the "human rights outlook" of the Chinese Government.

Press circles in Beijing, however, are reluctant to take a favorable view of the prospects for this journal. This is because first of all, the department in charge of the journal—the State Council Information Office—is itself quite conservative, and many of the staff transferring to the journal are those who are unwelcome at RENMIN RIBAO. It is learned that since Fan Jingyi, former chief editor of JINGJI RIBAO, assumed the post of chief editor of RENMIN RIBAO, an internal personnel reshuffle has been quietly carried out in the newspaper's office. A large number of medium-level managerial personnel, who were appreciated, transferred to RENMIN RIBAO, and promoted to their present managerial posts by former chief editor Gao Di, a well-known "king of the leftists," in the wake of the 4 June incident in 1989, have mostly been "requested" to leave RENMIN RIBAO, and among these some are being transferred to RENQUAN ZAZHI.

Moreover, the coming year of 1994 will prove an extremely tough one for Mainland China's press and publication industries. This is because on the one hand, the mainland authorities have further tightened their control over the ideological field. Following efforts to rectify "weekend and month-end editions" of all newspapers, the authorities have moved further to ban the reprinting of any articles originally carried by Hong Kong, Macao, and overseas newspapers and magazines. Recently, the CPC Propaganda Department issued an order that the mass

media should not "sing the praises" of any Taiwan or Hong Kong pop music or movie stars. Under this order, special columns and pages devoted to stars disappeared overnight from all major newspapers in Beijing, and editors in charge of entertainment news could do nothing but pour out endless grievances.

On the other hand, since the sales of all official newspapers on the mainland mainly rely on the subscriptions of governmental organs at state expense, the number of subscribers may drop drastically next year when the State Council and local governments at all levels start to cut down the number of working organs and reduce staff by as much as 20 percent. With "temples" shut down, there will be fewer "monks" and budgets will be tight. It is learned that the total numbers of subscribers to several Beijing-based central-level major newspapers have declined to varying extents; and among the newspapers suffering bigger losses are RENMIN RIBAO and GUANGMING RIBAO. In some provinces, the numbers of subscribers to these newspapers have even dropped by 20-30 percent.

Under such circumstances, RENQUAN ZAZHI will have to face severe tests right from the day of its birth, and it can thus be said that the journal "is born at the wrong time."

Central, Local Media Roundup on Deng's Works OW0212142893

[Editorial Report] The following is a roundup of reports on study of Volume 3 of the *Selected Works of Deng Xiaoping* carried by the PRC central and regional media from 3 to 29 November 1993.

Beijing XINHUA Domestic Service in Chinese at 0702 GMT on 19 November transmits a 561-character report on a meeting convened by the Ministry of Communications on 18 November to exchange experiences among communications departments nationwide in building spiritual civilization. According to the report, "representatives to the meeting conscientiously studied the 'Decision of the CPC Central Committee on Some Issues Concerning the Establishment of a Socialist Market Economic Structure,' as well as the relevant articles in Volume 3 of the *Selected Works of Deng Xiaoping*, thereby deepening their understanding of the principles of 'grasping two links at the same time' and 'attaching equal importance to both,' which Comrade Xiaoping has all along emphasized."

Beijing XINHUA Domestic Service in Chinese at 0956 GMT on 26 November transmits a 495-character report on a meeting held by the Coordinating Committee of Organs Directly Under the Central Committee on Joint Building of Spiritual Civilization 23-26 November in Beijing to study and discuss the relationship between a socialist market economy and spiritual civilization. According to the report, "the meeting attendees fully endorsed the achievements in building spiritual civilization scored by the organs in recent years. They emphatically pointed out that in the new situation, all cadres and staff members of the organs should intensively study Volume 3 of the *Selected Works of Deng Xiaoping* and, guided by the theory of building socialism with Chinese characteristics and the

guidelines of the Third Plenary Session of the 14th CPC Central Committee, push the organs' endeavor to build spiritual civilization to a new height."

Beijing XINHUA Domestic Service in Chinese at 1014 GMT on 29 November transmits a 1,370-character report on an upsurge in studying Deng Xiaoping's *Selected Works* currently going on throughout the Army. After reviewing plans and arrangements for studying Deng's works in the three General Departments, all major units, arms and services, the Academy of Military Sciences, and the National Defense University since the publication of Volume 3 of Deng's *Selected Works*, the report says: "Leading comrades of the General Logistics Department, the Air Force, and the Guangzhou and Jinan Military Regions have regarded the troops' obedience to the party and their upholding of the party's absolute leadership over the Army as the crux of the theses on army building contained in Volume 3 of the *Selected Works of Deng Xiaoping*." "Some Navy experts and professors have praised Comrade Deng Xiaoping as a model of persisting in and developing Mao Zedong's military thought," the report adds. It then describes officers and men of the Shenyang, Beijing, Chengdu, Lanzhou, and Nanjing military regions taking time off from camp and field training and exercises to study Volume 3 of Deng's *Selected Works*. The report notes: "The dominant concept of 'science and technology being the primary productive forces' has been echoed among the vast numbers of cadres and soldiers of the Commission of Science, Technology and Industry for National Defense, and the Second Artillery Corps." The report concludes by saying: "In the course of study, officers and men at large have realized that in implementing Comrade Deng Xiaoping's thesis on 'grasping two links at the same time and attaching equal importance to both' in the army, it is necessary to attach strategic importance to education and training on the one hand; and to uphold the army's goal and nature, inherit and develop the glorious tradition of Red Army veterans, and forever preserve the political color of the people's troops on the other."

Hefei ANHUI RIBAO in Chinese on 7 November publishes on page one a 1,000-character suggestion for implementing the "Decision of the CPC Central Committee on Studying Volume 3 of the *Selected Works of Deng Xiaoping*" adopted by the Anhui Provincial CPC Committee 5 November. The four-point suggestion calls on all party committees to, first of all, work out arrangements for party members and cadres to study the book; second, grasp the essence of Deng's theory on building socialism with Chinese characteristics; third, integrate theory with practice and apply Deng's theses to practical work; and fourth, extensively use various media to publicize the contents and spiritual essence of the book.

The same edition of ANHUI RIBAO published also on page one a 1,200-character editorial, entitled "Holding High the Banner, Blazing New Trails," hailing the publication of Volume 3 of Deng's *Selected Works* as a major event in the political life of the party and state. Stressing the ideological line of "emancipating minds and seeking truth from facts" as the essence of the book, the editorial

urges CPC members, cadres, and people in Anhui to diligently study and thoroughly comprehend the basic theory on socialism and the way to build socialism in China so as to keep up the present good economic momentum and scale new heights in Anhui's economic and social development.

Hefei ANHUI RIBAO in Chinese on 10 November publishes on page three a 3,000-character article by the Anhui Provincial CPC Committee's party school, entitled "New Development of Marxism in China—a Serious Study of Volume 3 of the *Selected Works of Deng Xiaoping*." The article begins by recalling how Mao Zedong, while exploring ways for China's revolution, applied the basic tenets of Marxism to concrete practices in China, thereby enriching and developing the Marxist theory. It then recalls that following the convening of the Third Plenary Session of the 11th CPC Central Committee, Deng Xiaoping eliminated ideological chaos and restored order in the party by reviving the ideological line of seeking truth from facts; on the basis of summarizing past experiences and analyzing the national conditions, he put forward the theory of China being in the initial stage of socialism. Moreover, the article notes, Deng Xiaoping has enlightened the people with his famous dictum that "the essence of socialism is to liberate and develop productive forces, eliminate exploitation and polarization, and finally realize common prosperity." The article concludes by saying that "by founding the scientific theory of building socialism with Chinese characteristics, Comrade Deng Xiaoping has pushed Marxism to a new stage of development in China."

Hefei ANHUI RIBAO in Chinese on 15 November published on page one a 250-character report on the official inauguration of the Anhui Provincial Society for the Study of Deng Xiaoping's Theory on 10 November. According to the report, the society, the preparations for which were started in July 1991, has so far sponsored seminars on Deng Xiaoping's economic concept, on his philosophical thought, and on his theory of building socialism with Chinese characteristics, as well as publishing a number of books on his special theses.

Lhasa XIZANG RIBAO in Chinese on 7 November publishes a 1,400-character report on a meeting held by the Tibet Military District party committee on 5 November to study the CPC Central Committee's decision on studying Volume 3 of Deng's *Selected Works* and General Secretary Jiang Zemin's important speech at the report meeting on studying the book. According to the report, Hu Yongzhu, secretary of the party committee and political commissar of the military district, spoke at the meeting and set specific requirements for studying the latest volume of Deng's works in line with the Central Committee's decision. The military district's party committee urged all officers and men to study Deng's theory of socialism with Chinese characteristics, to rally closely around the party Central Committee and the Central Military Commission with Jiang Zemin at the core, and to intensify army building in all fields, thereby further contributing to safeguarding Tibet's social stability and the border situation, and defending the motherland.

Lhasa Tibet Television Network in Mandarin at 1200 GMT on 20 November in its "Regional News Hookup" program, airs a 1.5-minute announcer-read report over video on the inauguration 20 November of a 10-day study class for provincial, prefectural, and county level cadres in Tibet to study the Third Volume of Deng's works at the regional party school. While the video pans a conference room of about 100 people studying the book, the report cites Danzim, deputy secretary of the regional party committee, as speaking on behalf of the party committee and urging cadres to truly emancipate their minds and change their mindsets in transforming the functions in the light of realities in Tibet. Regional leaders Chen Hanchang, Gong Daxi, Gyeng Puncog Cedain, and Jimzhong Gyaincain Puncog were among those attending the class, the report says.

Nanjing XINHUA RIBAO in Chinese on 5 November publishes on page one a 2,100-character "Circular of the Jiangsu Provincial CPC Committee on Conscientiously Studying Volume 3 of the *Selected Works of Deng Xiaoping*," dated 4 November 1993. The circular calls on party organizations at all levels to attach great importance to studying Deng's book and pay particular attention to the following four aspects: 1) earnestly studying and implementing the guidelines of the Central Committee's decision and Jiang Zemin's important speech, and thoroughly understanding the great significance of studying the latest volume of Deng's selected works; 2) clearly defining the requirements for the study and obtaining in-depth understanding of the basic contents and spiritual essence of the volume; 3) developing the Marxist study style of integrating theory with practice; and 4) strengthening the leadership over and working out meticulous plans for studying Deng's works. The circular urges cadres and people at large to be guided by the party Central Committee "with Comrade Jiang Zemin as the nucleus," to uphold the theory of building socialism with Chinese characteristics, work hard with one heart and one mind, and strive to promote reform and opening up, accelerate the pace of establishing a socialist market economy, and turn Jiangsu into a province with "economic prosperity, advanced science and education, comparatively high living standards, and social civility."

Nanjing XINHUA RIBAO in Chinese on 9 November publishes on page one a 1,500-character editorial, entitled "Study the Great Theory, Push Forward Reform and Opening Up," on the publication of Volume 3 of Deng's works. Noting that Deng Xiaoping has always paid keen attention to Jiangsu's development, the editorial attributes the province's successes, including a 3.4-fold increase in its gross provincial product in the past decade or so, to the guidance of Deng's theory of socialism with Chinese characteristics. The editorial adds: "So far, Jiangsu's achievements in its development have been made possible mainly through market-oriented reforms; in the future, the province will, in keeping with the objective of establishing a socialist market economy, steadfastly advance reform in all fields, promote development through reforms, and solve contradictions and problems in social and economic

life through deepening the reform so as to push Jiangsu's economy and all social undertaking to a new height."

Nanjing XINHUA RIBAO in Chinese on 12 November publishes on pages one and three a 4,000-character article by the Propaganda Department of the Jiangsu Provincial CPC Committee, entitled "Whip Up a New Upsurge in Studying the Theory of Building Socialism With Chinese Characteristics—Written on the Occasion of the Publication and Distribution of Volume 3 of the *Selected Works of Deng Xiaoping*." The article begins by extolling the volume as "another juicy fruit on the theoretical tree of Marxism" and demands the people master the book and apply its theory to Jiangsu's economic construction. After underscoring the theoretical, political, and practical significance of the volume's publication, the article outlines specific requirements for studying the book, concentrating on the original works. It says the publication of the volume has provided an excellent opportunity for theorists to study and publicize the theory of socialism with Chinese characteristics. Hence, theoretical workers should imbue themselves with a profound sense of responsibility toward history, and study and publicize well the latest book of Deng's, the article adds. It concludes by predicting that a new upsurge in studying Deng's works will certainly be whipped up throughout Jiangsu.

Shanghai JIEFANG RIBAO in Chinese on 3 November publishes on pages one and two an editorial, entitled "Master the Powerful Theoretical Weapon." Hailing Deng Xiaoping as "the chief architect of China's socialist reform, opening up, and modernization construction, and the founder of the theory of building socialism with Chinese characteristics, which is the Marxism of contemporary China," the editorial says "the publication of Volume 3 of the *Selected Works of Deng Xiaoping* has provided a powerful ideological and theoretical weapon for unifying the thinking of all party members in pioneering the great undertaking in the new historical period," and demands that studying and mastering the volume for guiding China's socialist construction should be the top priority of the party's current ideological building and theoretical education. As Deng has placed high expectations on Shanghai's reform and development, studying and mastering his theory should become a conscious action of all party members, cadres, and people in the municipality, the editorial points out. It concludes by calling for persisting in using Deng's theory and the party's basic line to control the overall situation under all circumstances and marching toward the goal charted by Deng "under the leadership of the party Central Committee with Comrade Jiang Zemin at the core."

The same edition of JIEFANG RIBAO publishes on page five a 9,000-character article by Ma Hong, entitled "Study Comrade Xiaoping's Theory of Reform in a Systematic Manner." The article cites passages from Deng's new book to explain the following points: First, it explains the relationship between reform and opening up, saying that they are closely interrelated parts of a whole, and that people should not see or stress only one aspect and ignore the other. Second, it explains the nature of reform as the

"second revolution in China," which lies in the self-perfection of the socialist systems. Third, it discusses the target of reform, saying that the ultimate target is the productive forces. Fourth, it expounds on the far-reaching significance of reform in realizing a well-off life for the people by the end of this century and achieving better development for China in the coming century. Fifth, it outlines steps and measures of reform from rural to urban areas. Sixth, it notes pricing reform and reform of the political system as "the hurdles of reform." Seventh, it discusses negative effects of reform and their solution. The article cites Deng's book as saying that "the question of opposing bourgeois liberalization will exist throughout the entire process of the modernization drive, including at least the last few decades of this century and the first half of the next century." "Therefore, we must lay special emphasis on upholding the four cardinal principles and opposing bourgeois liberalization; at the same time, we must strengthen ideological and political work, conduct education through persuasion, and wage struggles against unhealthy social practices, including the special privilege mentality." The article also cites Deng on the need to fight corruption. According to the author, the whole party supports central and local leaders' endeavor to solve concrete problems on corruption in accordance with Deng's instruction.

Shanghai WEN HUI BAO in Chinese on 3 November publishes on pages one and two a 3,000-character editorial, entitled "A Programmatic Document of Marxism—Congratulating the Publication and Distribution of Volume 3 of the *Selected Works of Deng Xiaoping*." The editorial calls for strengthening leadership over the study of the latest volume of Deng's works and arming the masses in Shanghai with the powerful weapon of the theory of socialism with Chinese characteristics. Noting that the volume is filled with patriotism throughout the book, the editorial says that hundreds of millions of the Chinese people who diligently study the book will be inspired to work with one heart and one mind in accomplishing the socialist modernization drive. "By studying in depth this programmatic document of Marxism, we will, under the guidance of the theory of building socialism with Chinese characteristics, certainly be able to adhere unswervingly to the party's basic line for 100 years, march with full vigor toward the glory of the 21st century, and make the Chinese nation stand tall in the world forest of nations," the editorial emphasizes.

Shanghai JIEFANG RIBAO in Chinese on 4 November publishes on page two a 2,000-character editorial, entitled "Pay Keen Attention to the Major Task of Fundamental Importance." Underscoring the importance of studying and mastering the basic contents and spiritual essence of the latest volume of Deng's works for the work in Shanghai, the editorial recalls Deng's visits to the municipality and his encouragement to municipal residents to accelerate the pace of Pudong's development and take bolder steps to bring about some change every year and substantial change in several years. The editorial calls Deng's theory "the source of the strength of the people of Shanghai to fight in unity and strive for development" as

well as "the beacon guiding Shanghai to realize the magnificent goal of becoming the 'dragon head' and an international economic, financial, and trade center." The editorial urges party committees at all levels to take the study and publicity of the volume and mastering of Deng's theory as a major task of fundamental importance, and make persistent efforts and adopt effective measures to successfully carry out the task.

Shanghai People's Radio Network in Mandarin at 2300 GMT on 23 November carries a 1.5-minute report on a report meeting, co-sponsored by the Propaganda and Organization Departments and the Party School of the Shanghai Municipal CPC Committee, on studying Volume 3 of Deng's works. According to the report, Zheng Bijian, executive deputy director of the Propaganda Department of the CPC Central Committee, delivered a special report on the political and theoretical significance of the volume. Pang Xianzhi, director of the Central Party Literature Research Center; and Gong Yuzhi, former director of the Propaganda Department of the CPC Central Committee; also delivered speeches at the meeting. Chen Zhili and other municipal party and government leaders joined some 1,500 cadres at the meeting.

Urumqi XINJIANG RIBAO in Chinese on 6 November publishes on page one a 1,500-character report on a recent study session attended by Standing Committee members of the Xinjiang Military District party committee to study Volume 3 of Deng's works. According to the report, Pan Zhaomin, deputy political commissar of the Lanzhou Military Region and political commissar and secretary of the party committee of the Xinjiang Military District, spoke at the session. He urged party committees and their political departments to regard the study of Deng's works as an important item on the agenda, and make solid efforts to study the book and apply its theory to the practical work of army building, thereby further contributing to the safeguarding and construction of the northwest frontier.

Lecture Series on Deng Theory, Part 7 OW2911112893

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 0805 GMT on 24 November broadcasts the seventh in a series of 13 lectures on "Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics." The sixth part of this series was published in the Political & Social section of the 22 November China DAILY REPORT, pages 29-30, under the headline "TV Lecture Series on Deng Theory, Part 6."

The seventh lecture, entitled "Without Democracy and the Legal System, the Socialist Modernization Drive Will Not Succeed—Introduction to Comrade Deng Xiaoping's Concept of Democracy and the Legal System," is given by Guo Dezhi, vice chairman of the Law Committee of the Chinese People's Political Consultative Conference National Committee.

Guo's lecture begins by citing Deng Xiaoping on the paramount importance of democracy and the legal system in China's socialist modernization drive, pointing out that

the aim of establishing a sound legal system is to safeguard national stability, ensure economic development, and consolidate the people's democratic dictatorship. Then, it elaborates on the principle of equality for all citizens before the law, as well as the need to enact and observe laws, strictly enforce them, and punish lawbreakers, which Deng repeatedly enunciated in his speeches from the late seventies to the early eighties.

In reviewing China's achievements in constructing the legal system in the past decade or so, Guo's lecture points out that the National People's Congress and its Standing Committee have so far enacted more than 100 laws and that the State Council has formulated some 600 sets of administrative rules and regulations, while various local governments have formulated over 2,000 local statutes. It notes, however, that some of the laws and regulations have not been strictly observed and enforced; hence, efforts should be stepped up to implement the guidelines of Deng's theses concerning legal construction.

Discussing the legal system as the guarantee of democracy, Guo's lecture cites Deng's speech in 1978 as saying that "to ensure people's democracy, we must strengthen our legal system. Democracy has to be institutionalized and written into the law, so as to make sure that institutions and laws do not change whenever the leadership changes, or whenever the leaders change their views or shift the focus of their attention." The lecture also cites other speeches that Deng made later to underscore the inseparability of democracy and the legal system. Thus, Guo's lecture deduces that Deng has always regarded democracy as the prerequisite and component of the legal system and that the latter is the guarantee for the former.

Touching on a thesis of Deng's, "democratization is a gradual process," given a prominent front-page position in RENMIN RIBAO a few years ago, Guo's lecture notes that this thesis was not understood correctly by some people, especially young people. The lecture explains that according to the basic tenet of the Marxist historical dialectic, the economic base dictates the superstructure; and it is impossible to realize a high decree of democracy in a society with a low level of productive forces, poor transportation, and an underdeveloped mass media. Therefore, democracy can only be introduced step by step along with the improvement of the people's cultural and material life.

The lecture also cites Deng's other theses on the need to step up legislation, to educate the people in the legal system, to crack down on economic crimes to ensure adherence to the socialist path, to train a large contingent of professional judicial and procuratorial personnel, and to improve the supervision system.

Deng Remarks on 'Posthumous Matters' Noted

HK0312105593 Hong Kong CHENG MING in Chinese No 194, 1 Dec 93 pp 6-7

["Notes on Northern Journey" by staff reporter Lo Ping (5012 0393): "Deng Xiaoping Talks About Posthumous Matters"; first paragraph is CHENG MING introduction]

[Text] On the evening of 2 November, in the Great Hall of the People, Deng Xiaoping met persons in charge of the Central Military Commission, the various armed services, the various arms of the services, and the major military regions. He said: "Some friends outside the country worry that the political situation will become turbulent and the policy will change after I die. I say: No, I firmly believe that in the future, no matter during peaceful construction or under conditions where something happens, the People's Army must unconditionally stand on the side of the CPC Central Committee which has Comrade Jiang Zemin as the core."

"Is Deng Xiaoping, who has not been seen for a long time, lying on his sickbed?"

"Will there be great turmoil after Deng Xiaoping passes away?"

"What will China look like in the post-Deng Xiaoping era?"

Many people have raised such questions.

Many people have offered answers to such questions.

Deng Xiaoping's sons and daughters have kept saying: "My father's health is very good; he is very healthy."

Many experts and scholars have either predicted that "there will be great turmoil after Deng Xiaoping dies" and "civil war is likely," or that "there will not be great turmoil, never mind civil war, in the post-Deng era."

A CPC Central Committee Document Carries Deng's Speech on China's Situation When He Is Not Around

A document issued by the CPC Central Committee depicts recent activity by Deng Xiaoping; it shows that Deng's health in early November was indeed very good. The document also recorded Deng Xiaoping's assessment of the situation in post-Deng China. It is very rare to see the "master exposing himself" in such a way.

The document was issued on 5 November by the CPC Central Committee General Office and the Central Military Commission General Office, and was entitled "Comrade Xiaoping Warmly Met Comrades in Charge of the Central Military Commission, the Various Armed Services, the Various Arms of the Services, and the Military Regions on the Evening of 2 November." The document is summarized as follows (words—except (applause)—within parentheses are supplied by this reporter):

On the evening of 2 November, in the Shanghai Room of the Great Hall of the People, Deng Xiaoping met the persons in charge of the Central Military Commission, the various armed services, the various arms of the services, and the major military regions (that same afternoon, these persons participated in a seminar on learning from Volume 3 of the *Selected Works of Deng Xiaoping*, and the meeting was held by the CPC Central Committee). Jiang Zemin, Li Peng, Qiao Shi, Liu Huaqing, Hu Jintao, Yang Shangkun, Bo Yibo, Wan Li, Zhang Aiping, Yang Dezhi, Xiao Ke, Li Desheng, Hong Xuezhi, and Qin Jiwei were

present at the meeting. (After the meeting, Deng Xiaoping held a banquet to serve them some Sichuan dishes; there were four tables.)

"If My Health Is Okay, I Want To See You Again in the Future"

Deng Xiaoping said during the meeting: The Central Military Commission has done a good job in army building and reform, and this is possible mainly because the leadership group is united and the goal is identical. Why must our party and People's Army stress a high degree of party spirit and organizational spirit? It is because we want to ensure that the party's undertakings and the people's undertakings win victory. I am very happy to see everyone of you, and if my health is okay, I want to see you again in the future (applause). To build our country into a strong and modern socialist country, we have to have a line which is in accordance with the country's conditions, a firm core of the party, and a modernized People's Army, then, we will have the ability to overcome and defeat difficulties on the road along which we advance, and will not have to be afraid of political and economic oppression and the interference of hegemony.

(Deng said "if my health is okay, I want to see you again in the future," and these words prove that currently Deng Xiaoping's health is "okay." The document was issued on 5 November, and this proves that up to 5 November, Deng's health was "okay.")

Deng Xiaoping: China Will Not Become Turbulent After I Fall Down

Deng said: Some friends abroad worry that after I fall down, the political situation will become turbulent and the policy will change; of course, some foreign countries which are hostile to China want to see a turbulent China, a turbulent party, a turbulent Army, and turbulence in the localities. This includes some hostile forces and elements. I say: No. We have a line which is proved by practice to be in accordance with China's situation; we have a central leadership stratum which has sustained tests, is united, and is young and upwardly mobile; and we have a people's army which is led and commanded by the party (applause). Turbulence is not wanted by the people of China, nor can it succeed (applause).

(Will China become turbulent or very turbulent after Deng dies? Several years ago, the view held by intellectuals in Beijing was that "it will." But the "theory of turbulence" has now been largely replaced by the "no-turbulence theory." People's analyses are different from Deng's viewpoint, in particular, they have different interpretations of the concepts of "turbulent" and "very turbulent." But their vague conclusions are more or less the same—civil war may not have to break out, and nationwide turbulence might not have to be the case. Regarding a nonviolent movement resembling the "1989 pro-democracy movement," people think that this cannot be excluded. When the economy has big problems, government corruption becomes serious, and despotic politics intensify, pro-democracy movements are unavoidable. Unlike Deng

Xiaoping, people do not call nonviolent pro-democracy movements "turbulence" or "riots.")

Does Deng Amend or Abandon the Fourth Adherence?

Deng said: I have experienced more things, and have a bit more seniority; the party, the Army, and the people respect me, and I am very grateful. As the people's servant, I am willing to perform more duties for the party and the people's undertakings (applause). I am very old; perhaps my age will be not considered old in the future when science advances (laughter). It is a natural law that someday I will go to meet the premier and my old combat companions. I am very relieved; the current central leadership group is stronger compared with the past, and is able to look further ahead, has less burdens and less dogmas, but has a mastery of modern knowledge. A contingent of young successors has already taken shape during our work.

(What merits attention in this remark by Deng is that he did not say that he would "go to meet Marx" or "go to meet Chairman Mao," but "go to meet the premier...." When this remark is linked to the remark on "less dogma," does this mean that Deng Xiaoping has already amended or even abandoned the fourth adherence—"adhering to Marxism-Leninism-Mao Zedong Thought"—of the "four adherences" he himself proposed?)

Deng Tells the Army To Support Jiang Zemin When He Is Not Around

Deng said: The Army has its uniqueness, and it has to proceed from itself and educate cadres on party spirit, organizational spirit, and army discipline. The People's Liberation Army [PLA] must play an exemplary role in this aspect (applause) and maintain and develop the revolutionary tradition of the PLA (applause). I firmly believe that in the future, no matter under the condition of peaceful construction or under the condition that something happens, the People's Army must unconditionally stand on the side of the party's and people's undertakings, on the side of the CPC Central Committee, and on the side of the CPC Central Committee with Comrade Jiang Zemin as the core to protect and safeguard the undertaking of socialist revolutionary construction (loud applause).

The core or basic point of this speech by Deng Xiaoping (it is believed that it was made disjointedly, and was compiled when being sorted out; this kind of method of record is often used and examples can be found in the *Selected Works of Deng Xiaoping*, so there is nothing strange about it) is this: After I die, the Army must support Jiang Zemin and his group, and by so doing, China can avoid turbulence.

Someone in the military joked: This speech looks like Deng Xiaoping's last words, but he added immediately: I do not hope these are his last words. Many people in Beijing hope that Deng can live a few more years. This does not have to be because of their love for Deng Xiaoping; maybe this is out of their fear that the diehards will reemerge to control the country.

Commentator on Public Order 'Responsibility System'

CM0212183493 Beijing RENMIN RIBAO in Chinese 2
Dec 93 p 1

[Commentator's article: "Implement Responsibility System To Ensure Safety in Each Quarter"]

[Text] Today, this newspaper published "Certain Provisions on Implementing a Leadership Responsibility System for Comprehensive Control of Public Order" jointly formulated by the ministries and commissions concerned. The provisions clearly define the political responsibility of party committees and governments at all levels and leading party and government cadres of all departments in ensuring safety in each quarter. Implementing a leadership responsibility system for comprehensive control of public order is a specific measure for further implementing the decision of the party Central Committee, the State Council, and the National People's Congress Standing Committee on intensifying comprehensive control over public order. It will definitely give strong impetus to the full implementation of all tasks involved in comprehensive control of public order.

Public order is one of the hot topics that has provoked widespread concern and strong resentment among the general public. It is a task which the party and government take seriously. In recent years, the party and government have adopted effective measures—such as waging struggles against specific aspects of public order and exercising control in key areas—to exercise comprehensive control over public order. This has continuously solved newly emerging problems pertaining to public order. Generally speaking, most areas across the country are in a normal state as public order goes. The once significant surge in public order problems has been reined in, leading to a favorable environment of public order for the country's reform, opening up, and economic construction. It should be noted that public order remains rather dire in some areas where local residents have urgently called for changes in the situation. These areas doubly need to earnestly implement a leadership responsibility system for comprehensive control of public order, intensify their efforts to exercise such control, and seriously solve problems related to public order. Comprehensive control of public order is a very important and rather difficult task. It can only be intensified, not slackened, as the drive for reform, opening up, and modernization accelerates. Implementing a leadership responsibility system is a major initiative for strengthening comprehensive control of public order.

Under the leadership responsibility system, exercising comprehensive control over public order to ensure safety in each quarter is clearly defined as the current political responsibility of leading party and government cadres at all levels. One of the goals of leading party and government cadres during their terms in office is to implement this system, which is used to evaluate the cadres' performance, to determine their promotions, and to reward or punish them. Under the system, the duties and tasks of party committees and governments at all levels, leading organs tasked with comprehensive control of public order, and

organizational, personnel, discipline inspection, and supervisory departments in implementing a leadership responsibility system for comprehensive control of public order are clearly specified. Implementation of this system will institutionalize the principle regarding "who is in charge of and responsible for" public order, thus providing relevant rules and regulations which party committees and governments at all levels and leaders in all relevant departments can follow in assuming political responsibility for ensuring safety in each quarter.

To introduce a leadership responsibility system for an overall improvement of public order and to thoroughly implement the provisions concerning the responsibility system, leading comrades of the party committees and governments at all levels and the principal leaders of the departments concerned are required to devote a certain amount of time and energy to grasping the work of comprehensively improving public order. Leading cadres at all levels who bear heavy responsibilities are required to determine whether comprehensive improvement of public order can be done well and whether safety can be ensured in each quarter as important as upholding in an all-round way the party's basic line and as important as insisting in "grasping two links" at the same time. So long as they have enhanced their understanding, they will have confidence and will be able to find the time to adopt measures for comprehensively improving public order.

In the course of implementing the public order responsibility system, all areas and departments should commend and reward the units and individuals that have made outstanding achievements in participating in the work of comprehensively improving public order, as well as commend and reward the personnel who have made meritorious service in fighting law-breaking criminals; appropriate medical treatment and placement should be given to the personnel who have been injured or wounded in the struggle against law-breaking criminals; the families of the personnel who have lost their lives in the fight against law-breaking criminals should be compensated. For units where major criminal cases and major cases involving public order have occurred because of the failure to implement the measure for comprehensive control of public order, and where the occurrence of those cases has caused serious losses to state interests and to people's lives and property, the personnel in charge who are directly responsible shall be held accountable according to law.

Recently, the Central Commission for Comprehensive Control of Social Order held its plenary meeting, at which the important directive of the meeting of the Standing Committee of the CPC Central Committee Political Bureau on comprehensive control of social order was disseminated. This has forcefully pushed forward this work throughout the country. We hope that all areas and all departments concerned, taking the stipulations concerning the introduction of a leadership responsibility system for comprehensive improvement of social order as a turning point, mobilize and organize all sectors of society to conscientiously implement measures so as to bring the work of comprehensively improving social order to a new level.

State Council Decision on Improving Legal Work

OW2711121193 Beijing XINHUA Domestic Service in
Chinese 1233 GMT 27 Oct 93

[Text] Beijing, 27 Oct (XINHUA)—The State Council recently adopted a decision on stepping up the work on improving the government's legal system.

The decision points out the need to further improve the government's legal system and to promote and ensure the establishment and gradual improvement of the socialist market economic system.

1. Those who work at all levels of governments and at various government departments must fully recognize the importance of doing a good job on the government legal system work. The government legal system work is an important part of the socialist legal system construction and represents an important guarantee for the establishment and gradual improvement of the socialist market economic system. Only by incorporating administrative behavior onto the track of legal system, can we expect to fundamentally raise administrative efficiency and to ensure the continuity and stability of policies. Therefore, it is necessary for all levels of governments and for all government departments to adopt concrete and effective measures to bring about a marked development and improvement in the government's legislative work as well as in its law enforcement work.

2. The guiding thought and goal of the government legal system work for a certain period in the future are: Take into account the state's overall situation and proceed from the state's general tasks; adhere to the guidance provided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line; conscientiously fulfil duties and responsibilities entrusted by the Constitution and the law to the government according to the objective demands for developing a socialist market economy; enhance the government's legal-system building; ensure the fulfilment of various tasks set forth at the 14th CPC National Congress and at the First Session of the Eighth National People's Congress; and ensure a highly efficient operation of government work along the track of the legal system.

3. Doing a good job on economic legislation work should be the main point of the government's legislative work. The pace should be accelerated to enact relevant economic laws for the socialist market economy. The government's legislative work should be subject to the leadership of the CPC Central Committee, be in line with the unified planning of the Standing Committee of the National People's Congress and the arrangement of the State Council, meet the demands set forth at the 14th CPC National Congress to initially establish a socialist market economic structure in the 1990s, and serve as a general legal framework for the socialist market economy. The immediate task at hand is to focus on and to do a good job on legislative work which has a direct bearing on the development of a socialist market economy. At the same time, it is also necessary to step up legislative work which

would help develop such undertakings as education, science, technology, culture, and public health; promote the building of democratic politics; protect citizens' rights and interests; maintain social security; fight corruption; and build a clean and honest administration.

4. It is necessary to correctly handle the relationship between the government legislative work and reform. When promoting the government's legislative work, we should affirm reform's successful experience and carry out in-depth reform. We should enact laws by following the state's relevant principles and policies and by basing on the results of experimentation and on past experiences. We should use laws to guide reform. In carrying out the government's legislative work, we must adhere to the unity of the socialist legal system, maintain the unity and consistency of socialist market economic law, realize the spirit of transformation of government functions, and resolutely do away with departmental protectionism and regional protectionism in legislative work.

5. It is necessary to step up work on sorting out administrative rules and regulations. Rules and regulations that no longer meet the demands of reform, opening up, and the socialist market economy should be revised in a timely manner and abolished according to a legal procedure. It is necessary to make "legislation, revision, and abolishment" part of the unified whole of government legislative work.

6. Effective measures are needed to enhance the enforcement of administrative law. At present, cases of failure to apply the law, of lax law enforcement, and of failure to prosecute lawbreakers are rather common. Serious cases of personal dictates substituting for the law, of abusing power to obstruct law enforcement, of even law enforcement personnel violating the law, and of bending the law for the benefit of relatives and friends have been reported in some regions and departments. Various levels of governments and various government departments, particularly leading cadres, should attach great importance to these matters, treat the anticorruption drive and the effort to build a clean and honest administration as an important part of the building of the government's legal system, and do a good anticorruption and clean-administration building job according to the recent arrangement worked out by the CPC Central Committee and the State Council.

7. All levels of government must voluntarily accept the party's leadership. They must accept the supervision of the same level of people's congresses and their standing committees, of justice departments according to the law, of the Chinese People's Political Consultative Conference and democratic parties, of the mass media and the masses. At the same time, it is necessary to strengthen the supervision within the administrative organs in a down-to-earth manner; to enhance the supervision of higher-level governments over lower-level governments and of the governments over their subordinate departments. It is also necessary to discover and rectify administrative organs' illegal or improper administrative behaviors in a timely manner. Effective and forceful measures should be adopted to firmly rectify irregularities found during checks. No matter

which organs and no matter who is found to have broken the law and breached discipline, they must be strictly dealt with and brought to justice.

8. It is necessary to strengthen the building of government organs and the contingent of personnel involved in the legal system work. All levels of government, particularly governments and government departments at the county-level or above, should further enhance the building of the organs involved in the government legal system work; step up the recruitment, training of, and show concern for specialized personnel involved in government legal system work; and make the system of the organs of government legal system work and the personnel involved in government legal system work adapt to the tasks of the localities' and local departments' in government legal system work.

9. All levels of government and various government departments must attach importance to and enhance their leadership over government legal system work. All levels of government and various government departments, leading cadres in particular, must enhance their leadership over government legal system work in a down-to-earth manner; ensure that the efforts to enhance the building of the government's legal system become one of the government's important tasks; place the matter high on their agenda; and assign a leading comrade to be in charge of this work.

Crime, Punishment in PRC for 1-15 Nov

HK2311150093

[Editorial Report] The following is a compilation of reports on crime, investigations, trials, sentencing, and other judicial-related activities in the PRC monitored by Hong Kong Bureau during the period of 1-15 November. The source and mode of processing are given in parentheses at the end of each entry. Certain reports deemed more significant may have been filed separately, in which case the summary will include the serial number of the separately filed item.

As evidenced by the stories listed below, during the month PRC crime reportage focused on the continuing anticorruption drive, especially in Guangdong province, and executions of economic and common criminals.

Central

With the continuing expansion of opening up to the outside world, some foreign-originated criminal activities have entered the mainland and expanded greatly in recent years. This development has attracted the attention of top CPC officials, and it has been learned that in one of his talks early last year, Deng Xiaoping said: "In the wake of opening up, some decadent things have entered; consequently some ugly phenomena have surfaced in some places in China, including drug addiction, prostitution, and economic crimes. Deng emphasized the need to crack down on various criminal activities while grasping reform and opening up in order to eliminate various ugly phenomena while "paying equal attention to both." Activities of cracking down on pornography, underground gangs, and drug addiction and trafficking now underway in China are unfolding precisely according to such central instructions.

The return of drug trafficking and addiction to the mainland began in the early 1980's with drug traffickers from southeast Asia's "Golden Triangle" transporting drug into southwest China and finding a conduit to the rest of the world through Taiwan, Hong Kong, and Macao; at the same time, drugs were carried to the mainland from Taiwan and Hong Kong. Consequently, a new generation of drug addicts arose on the mainland.

The situation today chiefly finds expression in the sustained increase in trafficking cases through Yunnan and Guangxi, but it has also spread to Guangdong and Fujian. In addition, the number of drug addicts has grown with each passing day. Mainland authorities have adopted severe measures in cracking down on drug-related crimes over the past two or three years. Last years, some 14,700 drug-related cases were uncovered, with 4,489 kg of heroin seized, up by 1.4 times from 1991; the number of people involved in these cases was some 28,000. The number of drug-related criminals given life or death sentences was 2,220.

In the first seven months of this year, some 2,300 drug-trafficking cases were uncovered in Yunnan alone, resulting in seizure of some 1,870 kg of high-quality processed heroin and the capture of more than 3,400 traffickers; over the past two years, more than 300 drug-related criminals have been executed. In the first five months of this year, Guangdong uncovered some 900 drug-trafficking cases, more than 8,000 drug addicts, and some 1,000 drug traffickers; scores of drug traffickers have been given death sentences.

From the beginning of last year through the end of the first quarter of this year, mainland authorities have captured 561 drug-related criminals from outside the borders. Of these, 159—including 11 from Hong Kong, Macao, and Taiwan—were seized in Yunnan in the first five months of this year. This June, six drug-traffickers from Taiwan were sentenced in Xiamen; four were sentenced to death and executed, one was sentenced to death with probation. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0955 GMT 12 Nov 93)

Triad society elements have been stepping up operations in China, engaging in such activities as abduction of women, prostitution, robbery, gambling, loan shark business, firearms smuggling, kidnapping, blackmail, and drug trafficking, and the Chinese police have been fighting triad societies over the past two years.

A few operations which have proved useful have been launched in Guangdong and other provinces. Last year, a six-member gang of robbers called the "Northeast Tigers" was smashed in Guangdong, and all its members were sentenced to death; while dozens of criminal ring members were caught in Yancheng, Jiangsu province. This year, 17 criminal rings with a total of nearly 200 members were broken in Shenzhen city; more than 140 triad society organizations, involving more than 700 people, were smashed in Foshan city in the first seven months this year; six criminal rings were smashed and dozens of criminals arrested in Huiyang County, Guangdong Province, in

September and August; in Jinzhou City, Liaoning Province, more than 150 people were found to be involved in triad society activities, and four "major culprits" were caught and sentenced to death recently. It is said that increasing triad society operations in China are primarily related to infiltration of criminal forces from Hong Kong, Macao, and Taiwan. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0722 GMT 11 Nov 93)

Provincial

Fujian

Jiang Jiaxu, former chief accountant of the finance section of the Nanping Prefectural Textile Station, was given the death penalty by the Nanping Prefectural Intermediate People's Court and the Fujian Provincial Higher People Court according to law on corruption charges. He was executed in Nanping City on 1 November for embezzling public money amounting to 1.13 million yuan by abusing power and forging documents as a result of being addicted to gambling for a long time. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0820 GMT 3 Nov 93)

Guangdong

Over the past 10 months, Gongbei has handled 1,033 smuggling cases and levied fines and confiscated goods totalling some 198 billion yuan. According to Gongbei Customs Chief Liu Hao, with the advent of modern means of transportation and telecommunications equipment, people are using increasingly complicated means of smuggling. In response to this, Gongbei has adopted flexible measures and formed mobile teams for sudden raids. He said that smuggling by sea has been most frequent this year and the smugglers are in big gangs. They mainly smuggle deluxe sedans, laser disk players, video recorders, and other electrical appliances. He held that such means of smuggling will continue for some time. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 12 Nov 1993)

Seven economic criminals, including Hong Yonglin, former director of the Huizhou City Public Security Bureau, and Chen Binggen, former director of the Shenzhen City Bureau of Real Estate Administration, were sentenced and executed in several different cities in Guangdong this morning.

Hong Yonglin took advantage of his position and power to authorize others to smuggle cars from and emigrate to Hong Kong. In return, he accepted cash bribes of more than 910,000 Hong Kong dollars and cash and goods worth more than 340,000 yuan. He also owned a large amount of property which obviously exceeded his lawfully earned income, including over 1.44 million Hong Kong dollars and over 690,000 yuan in cash and goods.

Chen Binggen colluded with other criminals, since convicted and sentenced to suspended death sentences and life imprisonment, to embezzle public funds, taking a 110,000

yuan share for himself. In addition, he received a bribe of 120,000 yuan from a Hong Kong businessman in July 1991.

Among the five other major economic criminals executed in their respective places this morning were: Chen Yuan-shao, former cashier of the Shuibu Town Power Supply Station in Taishan City, who had taken over 930,000 yuan in bribes; Ye Woqiu, cashier of the Dalang Town Credit Cooperative in Dongguan, who had taken over 1.6 million in bribes and embezzled over 2.24 million yuan in public funds; Li Qiang, former clerk of the Tianshan branch of the Shenzhen Xinghua Industrial Joint Stock company, who had taken over 1 million yuan in bribes; and Li Canyon, former accountant of the Lougang branch of the New City and Town Credit Cooperative in Baiyun district in Guangzhou. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 29 Oct 93; Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1302 GMT 29 Oct 93)

Mai Chongkai, president of the Guangdong Provincial Higher People's Court, informed reporters yesterday that since 1980, in upholding the principle of "paying close attention to both reform and opening up and the crack-down on economic crimes," Guangdong people's courts at all levels have convicted more than 8,000 people for economic crimes.

When briefing reporters on the province's economic crime situation, Mai Chongkai pointed out: Criminals are found among public servants in economic management departments, enterprises, and law-enforcement organs. Some are ordinary cadres and others are cadres at the bureau and departmental levels. He stressed: Now matter who they are and no matter how high their positions, those who are found guilty of serious offenses will be punished according to law.

The Guangdong party committee and government attach great importance to punishing economic crimes. In a provincewide televised address today, Zhang Guoying, provincial party committee deputy secretary, stated that Guangdong was determined to continue to strengthen the legal system and punish corruption.

With the crime committed by Hong Yonglin as a warning, Guangdong Province has attached great importance to purifying the contingent of public security personnel and preventing the abuse of power for personal gain. Chen Shaoji, secretary of the provincial political science and law commission and director of the public security department, stressed: We should definitely not indulge corrupt personnel in public security organs and connive at their crimes. On the contrary, we should investigate and punish anyone who is found having committed crimes. He said: The party committee of the Guangdong Provincial Public Security Department is most determined to purify the contingent of public security personnel ideologically and organizationally in the current struggle against corruption. (Summary) (Beijing FAZHI RIBAO in Chinese 30 Oct 93)

Wen Shixing, former manager of the Shenzhen Haicheng Trading Company and culprit of China's biggest case of

tax fraud who absconded overseas with the illicit money three years ago and Wang Jianye, extraordinary criminal and former director of the finance and trade department of Shenzhen City Planning Bureau, were among 39 criminals recently brought back by Shenzhen public security authorities. The masses applauded the results.

Li Youwei, Shenzhen City party secretary and mayor, recently said that the deeper the anticorruption campaign, the more nervous the criminals. They think they can escape legal sanction and have a good time by fleeing the country. The people's congress of our city made a "Decision on the Punishment of Public Officers Committing the Crime of Absconding With Illicit Money (Draft)," which is legislation specifically against such criminal action.

Intimidated by the momentum of the anticorruption campaign, some economic criminals in Shenzhen chose to turn themselves in to the procuratorial and judicial authorities. A village cadre in Baoan District confessed bribes of an apartment worth 180,000 yuan from a company which sought land use rights in his village; the company also put the premises under his mistress's name and sorted out the residential registration procedure. Another person turned himself in confessing to having received hundreds of thousands of yuan through an account in a Hong Kong bank from a company to which he illegally transferred land use rights in his control. A person in charge of the district people's procuratorate said that they would treat these two extraordinary bribe-taking suspects who turned themselves in with lenience according to law.

According to the Shenzhen City Procuratorate, in the past month, the number of cadres in party and government organs and law-enforcing personnel suspected of being involved in embezzlement or bribe-taking has increased to 125. Cases uncovered include 85 involving between 100,000 and 1 million yuan and 81 involving over 1 million yuan. The number of signed letters of accusation has also increased. (Summary) (Hong Kong TA KUNG PAO in Chinese 1 Nov 93; Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0710 GMT 9 Nov 93; Beijing ZHONGGUO XINWEN SHE in English 3123 GMT 12 Nov 93)

Two Hong Kong managers, named Chen and Lin, of a Shenzhen industrial investment company fled Shenzhen with at least 30 million yuan, at the expense of approximately 500 individual and collective investors, including some from Hong Kong. The company was founded in July 1991, then it merged with a Henan development company in August 1992. It managed to attract many investors by promising a high annual rate of return, between 19.8 and 25.2 percent. On 26 October of this year, a bank audit revealed that the managers had disappeared with the money. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 2 Nov 93; Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0941 GMT 4 Nov 93)

Some days ago, with the approval of the Guangdong Provincial CPC Committee and the provincial people's

government, Yang Zesheng, former vice mayor of Shaoguan, was expelled from the party, dismissed from his post, placed in mandatory education for six months, and fined 5,000 yuan for visiting prostitutes.

The offense occurred in Guangzhou in September, when Yang was participating in a provincial economic work conference. A Hong Kong businessman invited him to a certain hotel where, after drinking, he visited a prostitute. When he was about to visit a second one, he was caught red handed by public security personnel.

Being a party member and leading cadre, Yang Zesheng has visited prostitutes to the neglect of party discipline and state laws at a time when the struggle against corruption is being carried out in depth. His case is very serious and has created a very bad impression among the masses. As he has lost the due quality of a party member and leading cadre, he should certainly be punished. (Summary) (Guangzhou NANFANG RIBAO in Chinese 3 Nov 93)

Mr. Ou Huicheng, head of the Guangdong Provincial Comprehensive Social Order Management Committee, revealed in a news briefing today that between mid-September and the end of October, Guangdong authorities have investigated over 25,000 lawbreakers found guilty of such crimes as prostitution, gambling, and drug taking and trafficking.

In September, Mr. Ou said, his committee had urged various places in the province to work on getting rid of the "seven evils." In a little over a month, provincial authorities inspected over 2,600 massage parlors and dance halls, closing down 1,100 of them. More than 400 business licenses were revoked, more than 19,000 prostitutes were fined, over 2,000 facilities for pornographic purposes and more than 600 gambling machines were removed, and more than 50,000 videos tapes, 80,000 pornographic books, and 40,000 copies of illegal publications were destroyed.

Mr Ou said that problems still existed with some recreational centers run by foreign-funded or joint-venture enterprises. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1345 GMT 8 Nov 93)

The discipline inspection department, supervisory department, and procuratorate of Shenzhen city recently cracked a number of major cases while the city was stepping up its anti-corruption operation. Fifty cases involve cadres at and above the deputy office head level, including 10 involving cadres at the bureau level. Of these cases, 32 are related to party and government organs, and 18 to enterprises and service establishments. In addition, 37 are cases of bribery, nine concern dereliction of duty, and four are related to decadent lifestyle and prostitution. Judicial organs have arrested 10 persons in connection with these cases; two have been sentenced and eight are still under investigation. Disciplinary actions have been taken against all the personnel involved in these cases. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0920 GMT 9 Nov 93; Beijing ZHONGGUO XINWEN

SHE in Chinese 0638 GMT 12 Nov 93); Beijing ZHONGGUO XINWEN SHE in English 3123 GMT 12 Nov 93)

Guangdong has thus far made rapid progress and achieved gratifying results in rectifying all types of malpractices. According to incomplete statistics, Guangdong has screened a total of 4,581 charges, abolished a total of 1,121 irrational charges, and lightened social burdens by more than 87.39 million yuan.

Guangdong has also investigated and handled a total of 848 cases of typical malpractices; disciplined a total of 699 cadres and party members, of whom 19 people were at county or department level; and recovered economic losses totalling more than 37.23 million yuan for the state.

Moreover, the province has significantly reduced the number of such cases of holding dinners or giving gifts at public expense.

Over the past two months, the provincial discipline inspection commission and supervision department have received nearly 3,000 letters of complaint made by the masses about more than 150 cadres at county or department level. (Text) (Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 11 Nov 93—HK2211121793)

Gansu

On 2 November, Wang Shiwen, president of the provincial people's higher court, held a news briefing at which he announced the sentencing to death of 23 criminals. He said: Among these 23 criminals who have been sentenced to death and are going to be executed are nine drug offenders, including Ma Chehui, Ma Jihua, and Yang Zhenying; embezzler Zhang Jichun, former receiving teller of the financial section of the indigenous products company of the provincial supply and marketing cooperatives who embezzled over 394,000 yuan in public funds; and 13 robbers, murderers, and thieves. On 3 November, all 23 were executed.

At his news briefing, Wang Shiwen also said: According to unified arrangements by the central authorities and provincial CPC committee, the provincial higher court will, in conjunction with relevant departments, continue to step up efforts to effectively handle big and important cases and give full play to the power of law to deter criminals.

At an arresting and sentencing rally held in the Lanzhou area on 3 November, the arrests of another 28 embezzlers, thieves, and drug offenders were announced. (Summary) (Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 3 Nov 93)

Guangxi

A big case of car smuggling, involving 798 cars worth nearly 100 million yuan, was recently cracked in Guangxi. During the investigation, Vice Premier Zhu Rongji instructed: "Investigate thoroughly and handle with dispatch."

The units involved in this case facing criminal proceedings were: Guangxi Qinzhou City Materials and Equipment Corporation, the 20th Trading Department of Qinzhou Prefecture Foreign Economic and Trade Company affiliated to Qinzhou Branch of the People's Bank of China, Foreign Exchange Regulation Center of the same branch, Beihai City Industrial Supply and Marketing Company, and Chemical Industry Subsidiary of Liuzhou City Foreign Economic and Trade Company.

On 25 and 27 April this year, two foreign-flag cargo ships, brought 398 imported cars to Guangxi's Fangcheng Port. They were supposed to be imported from DPRK, but customs officers at Fangcheng were careful enough to spot that the cars were Hyundais from the ROK. The General Administration of Customs, after receiving the report, instructed that they be sealed up.

On 7 June, regional party Secretary Zhao Fulin convened a work meeting at which officials of Nanning Customs mentioned the case, which shocked all present. Thereupon, a joint investigation team was set up and discovered that the transaction had been done by spot exchange, not barter trade.

On 29 July, the regional party committee and regional government decided to let public security authorities step in and detain the chief suspects. The rounding up was completed on 14 October, with two suspects, a Hong Kong businessman and a former deputy director of the cargo management section of Beihai City Customs, still at large. (Summary) (Hong Kong WEN WEI PO in Chinese 1 Nov 93)

On 4 November, three economic criminals were executed in Nanning and Liuzhou. A fourth man sentenced to death had his sentence commuted to the death penalty with a two-year reprieve after informing on fellow offenders after his arrest and the return of all embezzled funds.

In the first nine months of this year, regional courts heard 869 cases of embezzlement, bribe taking, misappropriation of public funds, smuggling, fraud, tax evasion, and forgery, involving 1,590 people. Of 1,064 people sentenced so far, 17 were given the death sentence, 12 death with reprieve, 27 life imprisonment, and 356 jail terms of five years or more. Economic cases larger than 10,000 yuan numbered 153 and involved 187 people; the amount embezzled exceeded 170,000 yuan in at least four of these cases. (Summary) (Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 4 Nov 93)

Guizhou

People's courts at various levels in our province have scored visible achievements in the anticorruption campaign. At a news brief on 29 October, the provincial higher people's court revealed that from 22 to 27 October, the 29 counties and cities province wide handled 80 cases of economic crime, convicting 111 criminals. A total of 11 criminals were given the death penalty, death penalty with reprieve, or life imprisonment. In the first 10 months of this year, 1,130 cases of economic crime have been tried

with 1,330 criminals sentenced and 8.24 million yuan in economic losses to the state recovered.

Xie Jinhan, president of the provincial higher people's court, said at the news briefing: Economic crime in Guizhou Province has the following outstanding features at present: First, the percentage of big cases each involving over 10,000 yuan has gone up; second, the variety of crimes has increased and different types of crime are interwoven; third, the percentage of crimes committed in economic management departments, law-enforcement and supervisory departments, the financial sector, and other economic departments has increased; and fourth, the incidence of joint offenses has increased, where unhealthy tendencies are interwoven with economic crimes, and culprits, under the pretext of reform, take advantage of loopholes in policies, systems, and management, and commit crimes.

As a result of the courts stepping up efforts against economic crimes, especially in party and government organs, big and important cases were treated promptly and the losses of over 8 million yuan to the state and collectives were avoided.

Xie Jinhan also demanded that the courts pay special attention to five tasks: Focusing activities and adhering strictly to the law; concentrating on important economic crime cases; coordinating relations between the law and policy and the crackdown and protection; conscientiously submitting to supervision by the people's congresses and their standing committees as well as various circles of the society and the general public; and doing a good job of the anticorruption work in the courts themselves and safeguard the authority and sanctity of law. (Summary) (Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 30 Oct 93; Beijing RENMIN RIBAO in Chinese 12 Nov 93)

Hubei

The law courts of various levels in Hubei have swiftly and severely handled 69 major criminal cases, and cracked down on a number of syndicates. Wuhan City, Jingzhou Prefecture, and Huanggang Prefecture have convened public verdict-reading meetings, sentencing 60 criminals to death. Among the convicts were robbers, murderers, and those who abducted and sold humans, raped women, destroyed power facilities, and killed and stole cows. (Summary) (Wuhan HUBEI RIBAO 12 Nov 93; Hong Kong RTHK Radio Four in English 0500 GMT 14 Nov 93—HK1411071693)

Henan

The Henan Provincial Higher People's Court yesterday sentenced Xu Zhonghe, former Ruzhou City mayor, to death, depriving him of his political rights for life. Xu Zhonghe was executed in Pingdingshan City at 10:15 yesterday morning.

Xu Ronghong, provincial higher people's court vice president, stated at a news briefing held yesterday morning that Xu Zhonghe had been sentenced to death and deprived of

his political rights for life on bribery charges and concurrently sentenced to eight years' imprisonment on embezzlement charges. (Summary) (Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 29 Oct 93)

Hunan

On the morning of 8 November, the law courts at various levels in the Hunan Province held verdict-reading meetings in 75 locations, sentencing 212 economic criminals; Qiu Qihong, Yan Heping, and Luo Zhirong, three culprits who had committed serious corruption, were shot immediately. Five others guilty of corruption were also sentenced to death, and are waiting to be executed. Six convicts were sentenced to death with a two-year suspension. On the same morning, the provincial higher people's court held a news conference at which provincial party secretary Wang Maolin stressed the anticorruption drive. (Summary) (Changsha HUNAN RIBAO in Chinese 9 Nov 93)

Jiangxi

Jiangxi's courts at all levels have taken the trials of major cases involving serious economic criminals as the focal point of the current severe crackdown on economic crimes. They have concentrated their strength on speedily trying cases and pronouncing judgments in accordance with the law.

From January to August this year, courts at all levels across the province heard 291 cases which involved corruption, bribery, misappropriation of public funds, speculation, swindling, tax evasion and resistance, and so on. Among them, 267 cases have been settled, and court decisions have been made on 348 convicts. There were 92 economic criminals involved in cases in which illicit money exceeded 10,000 yuan, and 79 people were given death sentences with probation, life imprisonment, or prison terms of more than five years. Recently, provincial courts have also heard 30-odd cases of serious economic crimes of bribe taking, graft and embezzlement, swindling, and others; among these six cases involved amounts of 100,000 yuan or more. (Summary) (Nanchang JIANGXI RIBAO in Chinese 8 Oct 93)

Liaoning

Liaoning's Jingzhou Intermediate People's Court in Yixian passed sentence yesterday on an underground criminal gang rarely seen in the province. Four culprits of the criminal gang were given death sentences, the other 17 were given life sentences or sentences of imprisonment.

The chief culprits Dong Xiangli, Wu Chunli, and others committed crimes on 226 occasions in Yixian, Jingzhou, Fuxin, and Pangjing in western Liaoning, including 36 major cases ranging from hoodlum activities to deliberate injury, rape, and robbery. Aside from the 21 criminals who were given sentences yesterday, this underground gang involved another 32 backbone members and 103 thugs. The chief culprit participated in 129 cases, in which there were 29 counts of rape, and a total of 12,000 yuan from

several robberies. (Summary) (Beijing ZHONGGUO TONGXUN SHE in Chinese 0816 GMT 5 Nov 93)

The Dalian police cracked a rare case of robbery of undersea military telecommunications cables not long ago. Local public security organizations already had 15 culprits involved in the case in custody, and another 21 criminals surrendered.

At around 2100 on 7 September, a Dalian Bay frontier guards work station received a report that several fishing boats had severed undersea military telecommunications cables and were headed toward Dalian Bay. Liu Zhiqi, the station's deputy chief lead officers and men to rush to various piers in the district to conduct a search and caught the fishing boat red-handed, which was loading the undersea telecommunication cables onto a truck.

In March and September this year, 321 persons on 42 fishing boats run by individual households or contracted to individuals part in such criminal activities, involving some 202.4 tonnes of cables with a length of 81.6 kilometers, incurring direct and indirect economic loss of 18 million yuan. Further investigation of the case is under way. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0815 GMT 5 Nov 93)

Shanxi

In the last three months, nearly 10,000 criminals of various types have been arrested; more than 520 hooligan gangs have been broken up; more than 6,600 cases of various types have been solved, of which over 730 were important or extraordinary cases; nearly 1,000 criminals have been caught; and a total of 3.6 million yuan in money or goods has been seized throughout the province. The incidence of "hooliganism" in Shanxi Province has dropped significantly this summer, and public security throughout urban and rural communities was relatively stable.

The Shanxi Provincial CPC Committee and Government decided to devote six months to improving public security in rural areas. In July, August, and September, efforts were concentrated on a crackdown on hooligan gangs, to pave the way for improved rural public order.

The moment the specialized campaigns began, provincial government and party leaders, as well as those of the public security and legal authorities came together to work out a work proposal. Provincial Secretary Wang Maolin and Governor Hu Fuguo went to such places as Datong and Shouzhou to give guidance. Public security organs launched the first unified operation in late July, arresting more than 5,200 criminals within 48 hours. A batch of hooligan gangs composed mainly of ex-reform-through-labor men and outlaws in Changzhi City, Liulin County, Wenzhui County, and Fanzhi County were smashed. (Summary) (Beijing RENMIN GONGAN BAO in Chinese 21 Oct 93)

Sichuan

On 13 October, sentencing rallies were held in Chengdu, Chongqing, Langzhong, and Dachuan in Sichuan Province, at which 28 criminals guilty of embezzlement and

bribery were sentenced to death penalties or imprisonment. Four criminals were executed on the same day.

Yuan Jiachang, former bookkeeper with the Xiehe Credit Cooperative of Shuangliu County Branch of Agriculture Bank, embezzled over 171,000 yuan between August 1988 and July 1992. Jiang Fuqing, former teller with the Central District Lianglukou Branch of Bank of China in Chongqing City, embezzled over 95,000 yuan from deposits between July and September 1991. Zhao Min, former teller with the grains and oils station of Hexi District of Langzhong City, embezzled over 219,000 yuan between 1987 to 1990. Zhou Lianggui, former deputy director of the cashiers' section of the Dazhu County Branch of China Industrial and Commercial Bank, embezzled over 391,000 yuan. (Summary) (Chengdu SICHUAN RIBAO in Chinese 8 Oct 93)

On 18 October, 17 criminals were executed after a series of mass sentencing rallies in Sichuan Province, according to the SICHUAN LEGAL NEWS; no details of the crimes were reported. The paper also said that over the past two months, 789 criminals had been sentenced and more than 300,000 people had participated in mass rallies. (Summary) (Hong Kong AFP in English 0843 GMT 2 Nov 93)

Article Views Criteria of CPC 'Blacklist'

HK0312122893 Hong Kong CHENG MING in Chinese No 194, 1 Dec 93 pp 22-23

[Article by Wang Ke (3769 5381): "100 Hong Kong People Blacklisted"]

[Text] First Blacklist After 4 June Incident

Han Dongfang, a leader of the mainland workers' movement who has been stranded in Hong Kong for months, made repeated attempts to force his way through the customs some days ago, all to no avail. This makes one wonder: Does such high "efficiency" at the CPC customs mean that they have a "blacklist"?

The answer is yes. According to what I learned in Beijing, the "blacklist" was made as early as 25 October 1989. That was during the full-scale roundup following the massacre and the Ministry of Public Security [MOPS] approved an initial list of 215 people who should be permanently refused entry or temporarily (now filed as Document No. 80143 at the Guangdong Public Security Department). By 1992, there were still 80 people on the blacklist and the passports of 21 of them had been withdrawn or invalidated.

MOPS Reviewed the Blacklist Six Time Last Year

It is known that on 25 September 1992, the MOPS, after reviewing it for the sixth time, approved a list of "hostile organizations, hostile elements, leading participants in anti-China activities abroad, and leading elements manipulated by foreign anti-China hostile forces to conduct activities that are against China and aimed at causing

trouble in China," submitted by the public security departments (bureaus) and state security departments (bureaus). All those on the list were not allowed to enter China or temporarily refused entry.

The blacklisted are: 35 from the United States, 24 from Western Europe, 11 from Australia and Japan, five from Northern Europe, and five from other countries and regions.

What is worth mentioning is that Hong Kong, considered an "anti-CPC outpost," is a target of focused surveillance by the relevant authorities in China. The great enthusiasm the Hong Kong public displayed during the 1989 pro-democracy movement is bothering the relevant authorities in Beijing even to this day. It is known that as many as 33 Hong Kong people are blacklisted as "anti-China elements." The list of "Hong Kong, Macao, and Taiwan hostile organizations, hostile elements, leading participants in activities abroad which are against China and aimed at causing trouble in China, and leading members of anti-China organizations who have sought the patronage of foreign political forces" was submitted by the Guangdong Public Security Department and the Guangdong State Security Department and passed its fourth MOPS review on 23 August this year. It lists 33 people from Hong Kong, two from Macao, and 11 from Taiwan.

In addition, 65 people from Hong Kong are listed as "dangerous and worthy of special surveillance" if they enter China.

All told, as many as 98 Hong Kong people have been blacklisted!

Eight Categories of People Are Prohibited From Returning to China

On 18 October, just when the "Han Dongfang" incident was made a fuss of and hit the international headlines, the State Council approved exit and entry regulations and revised regulations in the Public Security Law and the State Security Law, which was submitted by the MOPS and the State Security Ministry. They were also deliberated and adopted by the National People's Congress Standing Committee. The internal regulations prohibit, permanently or temporarily, the following eight categories of people from entering China:

1. Chinese passport holders who are plotters and leaders of activities abroad aimed at overthrowing the central people's government and subverting the socialist system;
2. Leading elements who have sought the patronage of, and attached themselves to, foreign political forces and accepted funds from foreign hostile political forces and organizations to carry out activities against the central people's government;
3. Leaders and leading elements who are exiled abroad and organize hostile organizations which are aimed at opposing the central people's government, opposing the existing socialist system, and opposing the Constitution and laws;

4. Criminals on the judicial authorities' wanted list for participating in or plotting any attempt to overthrow the central people's government or conducting subversive and sabotage activities;

5. Leading elements who hold overdue or withdrawn Chinese passports, are abetted or manipulated by foreign political forces abroad in opposing the central people's government, or collaborate with foreign anti-China forces in anti-China and anti-CPC propaganda and subversive activities;

6. Leading elements who were once given criminal penalties or warnings not to engage in activities aimed at opposing and subverting the Chinese Government, but, once abroad, continued to engage in or organize activities opposing the central people's government and plotted subversion of the socialist system;

7. Leaders and core members of hostile organizations aimed at opposing China and causing trouble in China after Hong Kong entered the transitional period, especially after the Basic Law was promulgated; and

8. Elements who plot splitting the country in Hong Kong and Macao and throw in their lot with foreign forces after the Basic Law was promulgated, and leaders who serve foreign hostile forces in opposing China.

What Course Should Blacklisted Hong Kong People Follow?

Of the eight categories of people mentioned above, the last two categories obviously have specific reference to Hong Kong. The phrase, "after Hong Kong entered the transitional period," highlighted in the regulations, is worthy of close attention. Informed sources in Beijing say that this statement is nothing short of stipulating the power to exercise retroactive prosecution. Blacklisted Hong Kong people might get the serious political label of "opposing and causing trouble in China" and could be deported.

The "blacklist," carefully selected by the authorities, shows that the CPC is extremely paranoid about democratic movements. On the one hand, it deals severely with those who may be able to ignite the flames of democratic movements within the country. For instance, a "Peace Charter" organization was founded in Beijing some time ago, but the public security authorities lost no time in arresting two of the organizers. On the other hand, the CPC has blocked all personalities abroad who are considered by it to have the intention of "subversion" from returning to the country, for fear that "a single spark can start a prairie fire." In earlier days, the Soviet Union and other autocratic countries also used suppression and banishment toward their dissidents, but they could not resist the powerful worldwide trend of democracy in the end. One can suppose that the CPC will not be able to escape this historical destiny either!

Review of 'Banned' Novel 'City in Ruins'

HK0112085593

[Editorial Report] The novel *City in Ruins* was written by Jia Pingao (6328 1627 0425). He finished writing the draft

"on the morning of 12 October 1992, revised and copied the draft on the evening of 20 January 1993, and made final revisions on the afternoon of 21 February 1993." This version of the novel was published by the Tien Ti Books Ltd. (Cosmos Books Ltd.) in Hong Kong in 1993. The novel comprises 400,000 characters in 536 pages.

A brief biography printed on the inner cover of the novel gives the following information: "Jia Pingao was born in Danfeng, Shaanxi Province, on 21 February 1952. He graduated from the Northwest University and was an editor of literary works for eight years. At present, he is a full-time writer in the Xian City Federation of Literary and Art Circles. He has written many books, of which the medium-length novel *Restless* was awarded the Eighth U.S. Mobil Flying Horse Literary Prize; the medium-length novel *Last and First Lunar Months* was awarded the Third National Outstanding Medium-Length Novel Prize; the short story *Full Moon* was awarded the First National Outstanding Short Story Prize; and the prose collection *Track of Love* was awarded the First National Outstanding Prose, Collection of Prose, Prize. Besides these, the author's works have also been awarded prizes for outstanding works by major domestic newspapers and magazines on more than 30 occasions. Several of his books and articles have been selected as language textbooks in primary and middle schools and as teaching material in universities. Ten of his works have been adapted in turn for films, teleplays, and stage performances. Some of his works have been translated into English, French, Japanese, and German, and published abroad or published in the complex form of Chinese characters in Hong Kong and Taiwan."

The referent item stated that publication of the novel in the Chinese mainland "immediately caused a sensation." "Though its price is twice that of similar books, the 800,000 copies in the first edition were still insufficient to meet the demand. Then, surprisingly, one month after its publication, the Central Propaganda Department banned the book but this only served as free publicity and people rushed to buy the book from bookshops in the various localities." However, another article carried in the October 1993 issue of CHIUSHIH NIENTAI said that "two weeks after the novel was put on sale in July, the 480,000 copies in the first edition were sold out." "The rumor that the book has been banned added fuel to the sales of the novel. By the time an additional 650,000 copies had been printed by the Beijing Publishing House, illegal copies were on the market." The 1 November 1993 issue of WEN WEI PO said that the novel could be bought in Zhuhai City and "100,000 copies were printed in Nanjing in July." "The banning is only hearsay. Since the book has been printed and reprinted and is sold openly, the assertion that it has been banned may not be true and most probably is a trick" to boost sales. Judging from the reported number of copies printed, the novel does indeed enjoy great popularity among readers in China, banned or otherwise.

If the book has been banned, it is most likely because of its bold and detailed descriptions of lovemaking. In 38 different places in the text, the author writes about how the

main character Zhuang Zhidie made love with other women in addition to his wife. He made love with Tang Waner, a woman who left her husband and child and lived in Xijing, Xian, with Zhou Min, a magazine editor. In the end, Tang is secretly abducted and taken back home, where she is sexually maltreated, several times a day, by her husband. He made love with his young maidservant. He made love with a married woman whom he met for the first time in a slum area. Although the author uses the tactic of omission in his description of lovemaking scenes by saying scores of characters, 120 characters, and so forth have been omitted, what he writes is indecent enough to be banned in China. In China, where pornography is officially strictly banned, many readers who seldom have the chance to read anything indecent, may also find the description of the lovemaking scenes novel, interesting, and exciting. This is possibly one of the main reasons for the novel's popularity.

Some people have attributed the cause of the novel's banning to its political implications. Without doubt, the author has written directly or indirectly about many undesirable phenomena in Xijing society in 1980 after the development of the market economy. The main theme of the story concerns a libel case against a noted writer Zhuang Zhidie, who possesses fame, money, position, and reputation, and who was adored by almost everyone. However, he was unhappy because he was not allowed to write anything which he considered satisfactory. His talent was abused to publicize the achievements of officials, to secure jobs for others, to promote sales of fake insecticides, and to sell counterfeit paintings and books. In order to win the libel case, he bribed the judge by making gifts of paintings and calligraphy scrolls and by writing and publishing five theses in the name of the judge's son so that the latter could be promoted. He secured the mayor's help by marrying off his maidservant to the mayor's crippled son. The accuser in the libel case, Jing Xueyin, finally wins through the help of her aunt, who ensnared the reviewers of the case. The author also writes about how the director of a neighborhood committee abused his power by raping a girl, causing her to become mentally deranged. In the short stories contained within the novel the author also indirectly touches upon many social problems, such as housing shortages, the frequent disruptions in water and electricity supplies, robbery, counterfeit wine, opium smoking, organized crime, the fast life of the rich, superstition, and prostitution. He speaks about people's dissatisfaction with society through the mouths of the characters he has created.

In the beginning of the novel, the author cites a popular doggerel about 10 kinds of people in the city which reflect the dark side of society: "The first kind are civil servants who live in ease and comfort at the top; the second kind are 'official speculators' whose speculative activities are protected; the third kind are contractors who use public money to eat, drink, gamble, and visit prostitutes; the fourth kind are landlords who live on profits; the fifth kind are judicial officials who receive bribes from both the plaintiffs and the defendants; the sixth kind are surgeons whose waist-bags are fully stuffed with red packets of

money; the seventh kind are actors and actresses who make money by swaying their posteriors; the eighth kind are those who engage in propaganda work and who get a free sumptuous meal every three to five days; the ninth kind are teachers, who have never tasted delicacies from the land or sea; and the tenth kind are masters of the country, who foolishly emulate Lei Feng."

Regarding the work of government officials, a magazine editor says: "In this city, it is difficult to get anything done. Only after someone has died can a problem be solved." After heavy rain, some houses collapsed and 12 people died. A resident complained: "My mother was clearing her bowels when she was buried alive by a falling wall. This damned mayor spent all the money on building a culture street and a painting street. Why did he not spend some on building houses for us?" Tang Waner at one time says: "At present, who among the leaders of government organs does not frequently make mistakes? After making a mistake, he simply makes self-criticism at a higher level. After that, he makes the same mistake again. In this way, he makes mistakes, makes self-criticism, and makes mistakes again. He is then able to keep his post."

An opium smoker, son of a noted calligrapher, was dismissed from his post by an official and he said he hated this official because he had given him 10 of his father's calligraphy scrolls to get the job. When he was asked to sell an original inscription by Mao Zedong, he refused and said: "I also love Chairman Mao. Chairman Mao is dead but he remains a god and keeping what belongs to a god at home can drive away evil things!" When asked to give up smoking opium, he says: "I know that the longer I smoke opium, the more difficult it will be for me to give it up. However, all my aspirations and ideals can only be realized after I have smoked."

To try to persuade Zhuang Zhidie to visit prostitutes, Meng Yunfang, a friend of his and a researcher from the Research Institute of Culture and History who was willing to become blind if he could achieve the perfect art of fortune telling, said: "At present, is there any rich person who does not visit prostitutes?" Zhuang Zhidie also says on one occasion that "at present, 90 percent of couples are poorly matched. The upstarts in recent years in particular keep mistresses and visit prostitutes. Who, even among the poor, has no mistress?"

Meng Yunfang once tells Zhuang Zhidie that "at present, the whole society is in a mess. If you do not make use of the power in your hands now, you may lose such power at any time. Moreover, if you do not make use of your fame, you are wasting the efforts you made to gain such fame." Another person, Ruan Zhifei, the rich owner of a ballroom, asks Zhuang Zhidie to write an article in his name so that he might attain an academic title in the field of opera explained why he needed an academic title: "I want money but I also want an academic title. An academic title is a person's status. In this society, power can be turned into money and a person's status can also be turned into money."

While trying to persuade Zhuang Zhidie to sell counterfeit paintings, Zhao Jingwu, a friend of his, says: "At present, out of 10 cases of murder and arson, only two or three are solved. Comparatively speaking, what we are trying to do is a mere trifle."

On the wall of Zhuang Zhidie's living room is an inscription he wrote: "God keeps his mouth shut." These words are a quote from one of his books and the preceding phrase was: "Despite the existence of numerous hideous ghosts."

These quotes may reflect the author's dissatisfaction about society but they may not constitute the main cause for banning the novel because such phenomena are quite common nowadays in China. Moreover, exposure and criticism of such phenomena can easily be found in newspapers, magazines, books, films, and television programs. On the contrary, since the readers are so familiar with such phenomena and such phenomena are written as parts of some very interesting stories, and very often, dirty stories, in the novel, the author has successfully inspired the same feelings among readers. This is probably why the novel has caused a sensation and sells so well.

Drive To Raise 'Respect' for Teachers Planned

OW0312023693 Beijing XINHUA in English 0152 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—Chinese Government departments today announced a joint decision to start a nationwide drive to publicise the new law on teachers.

The decision, worked out by the State Education Commission and other departments concerned, is expected to pave the way for the implementation of the law and stir a sense of respect for teachers.

China has more than 10 million teachers. The National People's Congress, the nation's highest legislature, last month approved the country's first law on teachers, which is aimed at raising teachers' salaries and protecting their lawful rights.

The movement to publicise the law will include seminars, knowledge contests, and publicity months or weeks.

Mao Zedong's 'Special Planes' on Display in Beijing

OW0212163993 Beijing XINHUA in English 1533 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—Three special planes used by Mao Zedong are now being displayed at the China Aviation Museum in Beijing. The 100th anniversary of Mao's birth is being marked on December 26.

Xue Peisen, director of the museum, said that the three special planes on show were the only ones in which Mao flew after the founding of the People's Republic of China in 1949. They include a Lear-2 plane, an Il-14 plane and an Il-18 plane.

Mao Zedong went to inspect Guangzhou, Changsha, Wuhan and other places by the first plane in 1956. The

second plane was Mao's favorite. He used it 23 times in inspecting many parts of the country in 1957 and 1958. The materials displayed in the plane now are those used by Mao at the time. Mao flew from Hankou in central China to Shanghai in east China by the third plane on July 21, 1967.

NPC Vice Chairmen Mark Zou Bingwen Birth Centenary

OW0312095793 Beijing XINHUA in English 0933 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—A rally marking the centenary of the birth of Zou Bingwen, a patriot and pioneer of China's agronomy, was held here today.

Zou, who helped set up the central agriculture lab and China's first chemical fertilizer plant, returned to China in 1956 in reply to a call by then-Premier Zhou Enlai to serve the country.

Zou, who was trained in the United States, served as vice-chairman of the Preparatory Committee of the Food and Agriculture Organization of the United Nations in the early 1940s.

Zou advocated the development of rural firms, which have become a vital economic force in China's national economy in recent years.

He established a number of agricultural universities, research centers, and rural banks.

An agricultural ministry official said Zou's efforts helped lay a foundation for China's modern agriculture.

Also present at the rally were Fei Xiaotong, Lei Jieqiong, and Sun Qimeng, vice-chairmen of the Standing Committee of the National People's Congress [NPC].

Science & Technology

Beijing To Launch Experimental Satellite

OW0312131493 Beijing XINHUA in English 1307 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—The Chinese Academy of Sciences, the country's top scientific body, disclosed its space program here today, which includes a plan to launch an experimental satellite early next year.

According to Professor Jiang Jingshan, director of the Center for Space Science and Applied Research under the academy, the scientific experimental satellite "SJ-4", carrying six sound instruments, will be launched from the Xichang satellite launch center in southwestern Sichuan Province next January.

The satellite will probe charged particles and their effects in near-earth space. With the satellite, Chinese space scientists can calculate the parameter of the particles' distribution and the necessary electric potential for charging satellite batteries.

A manufacturer of satellites designed to perform scientific experiments, the space center has an extensive program in

the study of space physics, space environment detectors, earth observation technology, spacecraft payload common systems and related electronics, rockets, balloons and microgravity experiment technology, according to Jiang.

The center has established a sounding rocket launch base in Hainan Island in south China, from which dozens of rockets and balloons have been launched to gather data on solar x-rays, cosmic-ray high energy particles and middle atmosphere.

In recent years, the space center has sent payloads of life samples aboard two retrievable satellites for space biology research.

Jiang said that Chinese scientists recently successfully carried out microgravity experiments through balloon satellites, creating a duration of 30 seconds' microgravity condition of 0.1 to 0.01 percent of the earth gravity.

He noted that the center is playing a key role in the country's "trans-century space project", which aims at improving China's space aeronautic technology by the year 2000.

According to Professor Jiang, the center has recruited more than 100 outstanding space scientists to carry out research tasks covering space environment, ground stations, satellite equipment, and microwave remote sensing techniques.

China has launched 260 sounding rockets of 18 types since 1960 and 177 sounding balloons for upper atmosphere surveys over the past 16 years, according to Jiang.

Over the past two years, the academy has extended space research collaboration with Russia, the United States and European countries. For example, researchers from China and Russia have completed a long-distance sounding balloon observation on cosmic rays, gamma rays, and solar and non-solar x-rays, Jiang said.

Last month, the center signed an agreement with European Space Agency to take part in the cluster program, under which four satellites will be launched by arian rockets to study the micro-structure of the heliosphere.

Recently, the center bought eight payload booths from NASA of the United States and plans to conduct experiments on board U.S. space shuttles, said Jiang.

In another development, Professor Jiang led the mainland's first space scientific delegation to Taiwan last week. Jiang said that he signed a space cooperation agreement with the Taiwan Space Science Research Institute, which is the first such agreement between the Chinese mainland and the island province.

New Space Telemetry, Tracking Equipment Developed

HK0312095393 Beijing XINHUA Domestic Service in Chinese 0155 GMT 21 Nov 93

[By correspondents Liu Linzong (0491 2651 1350) and Zhang Qin (1728 0530): "Our Country Succeeds in Developing Trans-Century Space Telemeter"]

[Text] Beijing, 21 Nov (XINHUA)—A new generation of trans-century telemetry and automatic tracking information system went through a series of appraisals in Beijing a few days ago. The overall function of the new product, which includes a information receiving system in the S-band and a servo-control system with a five-meter antenna, achieves the advanced international level of early 1990's. It can be used to perform the telemetry and automatic tracking function for various carrier rockets, satellites, and aircraft, and is a new generational product of our space telemetry system in the 1990's.

Experts said that the S-band telemetry and automatic tracking and receiving system is the first basic equipment for information telemetry and reception, as well as a new domestic product in line with international and state standards. Its successful development has laid a foundation for our country to march to the international market and to have exchanges and cooperation with other countries in this field.

Reform of Science Management 'Developing in Depth'

OW0312084193 Beijing XINHUA Domestic Service in Chinese 0745 GMT 3 Nov 93

[By reporter Yang Zhaobo (2799 0340 3134)]

[Text] Beijing, 3 Nov (XINHUA)—With the establishment of a socialist market economy, a new reform in the science and technology management system, centering on the economic mechanism of the market, is developing in depth. The highly centralized science and technology management system in the planned economy is undergoing radical changes; market mechanisms have been established in the operation and management of science and technology; and the reform orientation of "holding fast to one end and leaving the whole field open" has created favorable conditions for millions of scientific and technological personnel to march to the main battlefield of economic construction.

According to a briefing by the State Science and Technology Commission, our country currently has 17.63 million scientific and technological personnel, and our scientific and technological strength has noticeably increased in recent years. A comprehensive system with complete branches of science and technology built in the scientific and technological sector almost covers all fields in today's world. According to statistics, the number of our country's scientific and technological achievements have increased by a big margin in recent years. In 1992, there were 31,000 major scientific and technological achievements, increasing 57.8 percent over 1985; in 1992, 31,000 scientific and technological achievements were granted patent rights, 39.3 times more than those in 1986. The ratio of those scientific and technological achievements that met international standards has grown from 5.3 percent in the "Sixth Five-Year Plan" to more than 10 percent at present.

Since the CPC Central Committee in the early 1980's made the major policy decision that science and technology must be geared toward the needs of economic

construction and that economic construction must depend on science and technology, our country has put 80 percent of its scientific and technological strength on the main battlefield of economic construction. Hundreds of thousands of scientists and technicians go to work in the countryside every year, with a view to promoting scientific and technological progress in industry and rural areas and popularizing the application of scientific and technological achievements in industry and agriculture. As for the integration of science and technology with enterprises, take 1992 for example, scientific research institutes and institutions of higher learning nationwide established ties with 22,000 state-owned enterprises, transferred more than 8,700 scientific and technological achievements to enterprises, and cooperated with the latter in developing nearly 5,000 projects, achieving remarkable economic results.

After Deng Xiaoping put forth the great thesis of "science and technology constituting a primary productive force," the State Science and Technology Commission promptly made work plans in this regard. Now many Scientific and technological achievements turn into commodities through technology markets. As for research institutes, their achievements' entering the market not only represents a change of concept but also enhances their strength. Statistics show that the trade volume of technology markets across the country reached 15.08 billion yuan in 1992. Thus, funds allocated to institutes making scientific and technological developments were basically reduced. In 1992, the total income of such scientific research institutes reached 10.2 billion yuan, and what they earned by doing state projects only accounted for 22 percent. It is very obvious that scientific research institutes have an increasing staying power. In 1992, the total value of nationwide scientific research institutes' fixed assets was 39.7 billion yuan, an increase of 84.4 percent over 1985, the year before their reform. More than two thirds of instruments and equipment for scientific research were built in the late 1980's, thus improving our country's backwardness in this regard.

To catch up with the pace of the new world technological revolution, our country has decided to develop high technology and high-tech industries as an important strategic task in the reform of the science and technology management system in the new period. In 1987, the CPC Central Committee and the State Council approved the "Plan for the Development of New and High Technology," also known as the "863 Plan." We chose the following seven key sectors—information technology, biological technology, automation technology, astronautics and aeronautic technology, laser technology, new energy, and new materials—for development and organized outstanding scientists and technicians to keep pace with the world's development of high technology. In 1988, the State Council approved the "Torch Plan" that was aimed at commercializing, industrializing, and internationalizing new and high technologies. Fifty-two state new high-tech industrial development zones have now become shining growth points economically, scientifically, and technologically.

In recent years, the State Science and Technology Commission formulated a series of major measures to strengthen important basic-research projects and provided financial assistance for a large number of basic-research projects by implementing such reform measures as setting up a foundation for natural sciences. Moreover, beginning in 1993, the state decided to add 70 million more yuan to the foundation every year for the next three years to increase its total amount to 1.5 billion during the "Eighth Five-Year Plan." The state also successfully built 78 key laboratories that made a number of scientific and technological achievements, which met advanced world standards. The state also organized a "plan for scaling new heights" to particularly support two batches of major basic-research projects, 30 in all.

The State Science and Technology Commission regards "holding fast to one end and leaving the whole field open" as a guiding principle for future work in science and technology. "Holding fast to one end" means that we should follow the principle of "smaller quantity, better quality" and stabilize a contingent of scientists and technicians who are adept at basic research, high-tech research, tackling major scientific and technological problems, and research of a social service nature. From now on, the state will strengthen basic research through two major channels—by implementing the "plan for scaling new heights" and making use of the Natural Science Foundation. We will continue to enhance the capacity of tackling problems arising in high-tech research and major scientific and technological projects by carrying out the "863 Plan" and the state scientific and technological problems-tackling project included in the current five-year plan. On the basis of open, key state laboratories and research institutes, the state will gradually form a number of state scientific research bases in basic research, applied basic research, and high-technology research. With those bases as the centers, a contingent of scientists and technicians who can truly reflect our country's highest level in this regard will be formed gradually. "Leaving the whole field open" means that we should decontrol and vitalize a large number of institutes making scientific and technological development and providing services, and guide them to the market by readjusting their structures and rationally distributing their human resources. Science and technology enterprises in various economic organizational forms have sprung up like bamboo shoots. Some scientific research institutes even have completely transformed themselves into science and technology enterprises or enterprise groups.

Military

Article Views Relations Between Jiang Zemin, Army

HK0312132593 Hong Kong HSIN PAO in Chinese
22 Nov 93 p 8

[Article by Li Ming-li (2621 2494 3810): "Crisis of the Army's Participation in Economic Activities"]

[Text] On 8 November, the PRC's XINHUA published a dispatch to the outside communicating Central Military Commission [CMC] Chairman Jiang Zemin's instructions, which demanded that the armed forces obey the party, take the situation as a whole into consideration, and carry forward the fine tradition of arduous struggle.

They Find It Hard to Take the Situation as a Whole Into Consideration as Long as Their Interests Are Involved

The CPC's mouthpiece has one-sidedly reported only the good news and not the bad, always avoiding major points while reporting minor details. When reporting important news, the CPC's media often do not mention its background. Therefore, it is very difficult to understand the crux of problems with the PRC's armed forces from news reports. However, surely people having some understanding of the Chinese armed forces will feel deeply the seriousness of the problem mentioned by Jiang Zemin.

In Beijing 3-8 November, the CPC called the All-Army Work Conference on Production and Business Operations. The CMC chairman and vice chairmen, persons in charge of the three PLA general departments, and key figures of the various military regions and of all arms of the services participated in the conference to seek a common understanding.

At the conference, Jiang Zemin stressed: "Taking the situation as a whole into consideration is the most important embodiment of the strong party spirit of communists, and is the basic demand on leading cadres at all levels. The PLA has always given priority to the interests of the people and of the state, acted at the command of the CPC Central Committee and the CMC, and possessed the fine traditions of taking the situation as a whole into consideration and of arduous struggle. Today, the armed forces have more need to set an example in taking the situation as a whole into consideration and struggling arduously, and to strictly enforce the rules and regulations regarding the armed forces' starting production and going into business, obey commands, coordinate actions, and ensure that the CPC Central Committee and the CMC's policy decisions are implemented to the letter."

The fact that the armed forces do not take the situation as a whole into consideration and that the expansion of their selfish departmentalism have reached such an extent that the CMC has had to call a one-week conference to discuss a solution to the problem. The fact that the armed forces go into business, and set up and run enterprises has long been the shortcut for them to make money. In the meantime, the fact that the armed forces make use of privileges, consume the nation's resources, and scramble for interests with various localities has long caused discontent among the localities. In order to resolve these increasingly entangled contradictions, the CMC called a special meeting in Shandong's Qingdao early this year and demanded that the armed forces withdraw from the economic field, that Army-run companies be dismantled immediately, and that Army-run industries be turned over to the local authorities where they are set up. Although what was discussed at the

Qingdao meeting was not disclosed, over the past six months or more the CPC really has rectified in earnest the armed forces' activities of going into business and of running enterprises.

However, as Jiang Zemin's speech has revealed, the rectification in the last few months obviously has met with resistance from the armed forces. Where the interests of the armed forces are involved, in particular, they find it very difficult to respond to the party's call. For the interests of their groups, the armed forces find it very difficult to maintain a high degree of unity with the party on the question of taking the situation as a whole into consideration.

The Armed Forces Do Their Own Business

As everyone knows, it has long been a fact that the armed forces run companies and participate in various other economic activities. They have profit-guaranteed companies selling arms, as well as small companies speculating in real estate. None of the three PLA general departments or of the various military districts has neglected to participate in business. The armed forces have long run their own businesses on the mainland. They have caused numerous complaints from the localities, in particular, with regard to monopolizing local resources and occupying the use of railway transportation. For example: In Shanxi, which is rich in coal resources, many coal mines are owned by the armed forces—to one's surprise. At a time when the locality's coal is seriously overstocked and when they are trying to stabilize production by sales, the armed forces are enjoying unrivaled privileges to transport train-loads of coal to coastal areas on "army trains" and then resell it at a profit.

For some time after the Qingdao meeting, the CMC demanded that all arms of the services turn over coal mines to local authorities. Since the Army-run enterprises had always reaped good profits, in the beginning none of them was willing to surrender its huge gains. Later, with some bargaining between the armed forces and the local authorities and with mediation by the senior central authorities, the matter finally was resolved properly when the local authorities (Shanxi Province) agreed to turn over 1.2 billion yuan to the armed forces each year. Furthermore, as reported by the Ministry of Railways, the fact that the armed forces make use of their privileges to use special Army trains without permission has worsened already inadequate transportation. One can see from this situation that Jiang Zemin had a definite object in mind when he urged the armed forces to take the situation as a whole into consideration.

The question is whether or not the armed forces really can do as Jiang Zemin has asked, and take the situation as a whole into consideration. The armed forces began going into business, running enterprises, and making money when Yang Shangkun and his brother made this possible when they were in office. During Mao Zedong's period, the armed forces also were allowed to retain their own land and have chicken and pig farms, and the like, but their size was absolutely limited to the extent of improving their

living standards. When making income these days, the armed forces have almost gone to the extent of seizing all money possibly seizable.

It Is Unrealistic To Arrive at a Common Understanding With Slogans

At present, the mainland is pursuing a market economy and all interest groups gradually are being formed. Under the CPC's system in which all powers are envied, will the armed forces—which are so familiar with real life—be willing to lead a life of arduous struggle, as Jiang Zemin has stressed repeatedly? Not long ago, this author saw the following: Two soldiers in uniform were travelling in a bus from Shenzhen to Shekou. They should have paid five yuan for the fares, but they paid only one yuan, and even that in a threatening manner. A lieutenant in plain clothes was agitated by this and immediately showed his officer's identification card to the two soldiers, asking why they did not pay the exact fares. They appeared helpless before the lieutenant and complained to him: "You don't know. We do not lead an ordinary person's life at all in the armed forces. We earn only 30 yuan or so of bonuses in the special economic zone, and how can we then live on that?" Jiang Zemin probably does not know the plight of the soldiers, but he should know the gap between the armed forces and the localities when they do not earn their own incomes any longer. He should realize all the more how young soldiers will hear to the call for "arduous struggle," given the fact that they are not more foolish than others.

It is impractical for Jiang Zemin to try to get the armed forces arrive at a common understanding by a single slogan. Moreover, he probably will cause them to withdraw their support for him, considering the fact that the 1990's and the 1970's are two totally different periods.

Officers Discuss Study of Deng's Works

Part One

HK0312003093 Beijing JIEFANGJUN BAO in Chinese 14
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["Leading Comrades of Some Major PLA Units and Armed Police Forces Talk About What They Have Gained From Studying Volume 3 of *Selected Works of Deng Xiaoping*"; first of two installments under the general headline: "Earnestly Study Volume 3 of *Selected Works of Deng Xiaoping*"; first paragraph is JIEFANGJUN BAO editor's note]

[Text] Officers and men throughout the Army are responding enthusiastically to the call by the CPC Central Committee and the Central Military Commission to study earnestly Volume 3 of *Selected Works of Deng Xiaoping*, thereby unfolding a new vigorous campaign for studying and applying the theory of building socialism with Chinese characteristics. While making concentrated efforts to acquire a profound understanding of the important contents of the five topics touched on in the Works, as required in the decision made by the CPC Central Committee, through studying this book we must do a good job

in understanding Deng Xiaoping's concept of army-building for the new period and in mastering the general objective of, and the series of principles for, building a modernized army in the new period. Leading cadres should lead the way in studying the book and in applying the theory to reality, and should strengthen leadership over study of the book and over related organizational work. Today and tomorrow, this newspaper is offering readers articles by leading cadres from the eight major PLA [People's Liberation Army] units and armed police forces on what they have gained from studying Volume 3 of *Selected Works of Deng Xiaoping*.

By Cao Pengsheng [2580 5338 3932]: "Arm Our Minds With Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics"

Comrade Deng Xiaoping is the chief architect of China's socialist reform, of the opening up, and of the modernization program. His theory of building socialism with Chinese characteristics is the latest result of integrating the fundamental tenets of Marxism with China's actual conditions and with the imprints of the times. It is also the great banner and powerful ideological weapon leading us to achieve modernization. To arm our minds with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, first of all, we must take a firm hold on and acquire a profound understanding of Comrade Deng Xiaoping's scientific thesis on the objective of socialism, as well as achieve a clear understanding of what socialism is and how we should build it, which is the basic and most important problem. Comrade Deng Xiaoping pointed out profoundly: "The objective of socialism is to liberate and develop the productive forces, to eliminate exploitation and polarization, and ultimately to achieve common prosperity." It is based on the scientific understanding of the objective of socialism that our party laid down the basic line of "one central task, two basic points"; formulated the general policy and principle of liberating and developing the productive forces through reform and opening up; and discovered the correct course for building socialism which conforms with China's actual conditions. Obviously, only when we have a clear understanding of the objective of socialism can we profoundly understand and consistently adhere to the party's basic line and can we consciously and firmly push forward China's reform, opening up, and modernization drive.

To arm our minds with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we must firmly grasp its essence: "Emancipating the mind and seeking truth from facts." Comrade Deng Xiaoping's works have provided a brilliant example of adhering to this essence. Our reform, opening up, and socialist modernization drive—initiated since the Third Plenary Session of the 11th CPC Central Committee—are a brand new career, never before pursued by our forefathers or by other countries. It was under the leadership of Comrade Deng Xiaoping that we—guided by the fundamental tenets of Marxism—emancipated our minds; sought truth from facts; proceeded from China's actual conditions in everything we did; upheld the principle of practice as the only

test of truth; and abandoned the dogmatic interpretation of certain Marxist theories, the unscientific and distorted understanding of socialism, and those ideas that are wrong because in the primary stage of socialism they are premature. In the meantime, we resolutely rejected those ideas that basically negated Marxism, and we tried to analyze and solve problems from the world outlook and methods of dialectical and historical materialism. In studying Volume 3 of *Selected Works of Deng Xiaoping*, we must grasp this essence firmly because it serves as the prerequisite to being successful in our work.

To arm our minds with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we must grasp firmly the patriotism repeatedly stressed by Comrade Deng Xiaoping and arrive at a profound understanding of his important theses on the self-respect, self-confidence, and sense of pride of the Chinese nation, and on the need to use Chinese history to educate young people and others so that they can heighten their self-respect and inspire the self-confidence of the Chinese nation, greatly boosting patriotism.

While upholding the open policy, Comrade Deng Xiaoping emphasized the need to adhere to the principle of maintaining independence, keeping the initiative in our own hands, and giving top priority to state sovereignty and national security. We must uphold socialism, continue to maintain world peace, and fight power politics and hegemonism in all forms. Just as Comrade Deng Xiaoping pointed out: "No foreign country should look forward to China becoming its dependency and to China's remaining silent about the infringement of its interests." We must maintain independence at all times and must keep the initiative in our own hands. We must refuse to be taken in by fallacies, must withstand pressure and menace, and must be undaunted by repeated setbacks in a bid to build our Army into a wall of steel safeguarding China's sovereignty and security and maintaining social stability.

Many articles in Volume 3 of *Selected Works of Deng Xiaoping*, were devoted to army-building. These important articles profoundly expound the strategy and general objective of our army-building, representing the creative application and development of Mao Zedong's military thought under the new situation. They also serve as fundamental guidance in our effort to turn the PLA into a modernized and revolutionary regular army.

For officers and men to earnestly study Volume 3 of *Selected Works of Deng Xiaoping*, so as to arm their minds with Deng Xiaoping's theory of building socialism with Chinese characteristics and with Deng Xiaoping's concept of army-building in the new period, is a basic guarantee for upholding the party's absolute leadership over the Army, for maintaining the qualities of the PLA as the people's army, and for strengthening the Army, with the stress on its modernization.

While studying Comrade Deng Xiaoping's strategic ideas and theories, we also must learn from him his scientific attitude and creativeness so that we will respect practice

and the masses, become broad-minded, take the overall situation into account, and dare to clear the way to forge ahead.

We must make great efforts to study the original work conscientiously so as to master the essence so we will be able to raise our theoretical and political level. In particular, we must carry forward the Marxist study style of integrating theory with practice in order constantly to enhance our consciousness and steadfastness in implementing the party's basic line.

By Zhou Keyu [0719 0344 3768]: "The Army Must Do as the Party and Central Committee Say"

Volume 3 of *Selected Works of Deng Xiaoping*, is brilliant literature that integrates Marxism with China's actual conditions. Of the 119 articles in the book, which are of great importance to army-building, seven are devoted especially to work in the Army. Though such articles are not many, they carry weight because they deal with fundamental and long-term problems concerning army-building. What impressed me most is that the articles highlight the need for the Army to do what the party and the Central Committee say. Comrade Deng Xiaoping emphasized the following points:

1. The Army must uphold and safeguard the party's basic line. Comrade Deng Xiaoping said: "What matters is to uphold the party's basic line of 'one central task, two basic points'," and "the basic line must be followed unswervingly for 100 years". If we do not persevere in carrying out the basic line, "we will be doomed to death." "Therefore, the Army and the state power must safeguard the socialist road, the socialist system, and the party's policies."

2. The Army must be subject to the overall interests of national economic development. Comrade Deng Xiaoping said: "Party organizations, governments, armed forces, and the people must submit themselves wholeheartedly to the overall interests of national economic development and must take these interests into account. Our Army must hold itself responsible for these overall interests, must not impair them, must work in close coordination with them, and must act in line with them. In everything it does, our Army must be subordinate to the country's economic construction, wherein lie our overall interests."

3. The Army must give top priority to safeguarding state sovereignty and national security. The fundamental duty of armed forces is to safeguard state sovereignty and national security. Comrade Xiaoping said: "State sovereignty and national security must be put in the first place," and "China will achieve nothing without a stable environment." The Army is "always the defender of the country, socialism, and the people's interests."

4. The Army must safeguard the authority of the party Central Committee in a conscientious manner. Comrade Deng Xiaoping stressed: "The authority of the party Central Committee must be enhanced... No attempt to negate this authority is allowed. The power that should be centralized must be centralized"; "any leading body must have a core—a leading body without a core is unreliable."

Comrade Xiaoping called on the entire party membership to defend the party's core with a high degree of conscientiousness. He also pointed out clearly that Comrade Jiang Zemin is the core of the party. He said: "Despite alternation of generations, our Army always must be an army led by the party," and "at all times, the Army must do as the party and the Central Committee say.... The Army is not allowed to have its own banner."

In studying Volume 3 of *Selected Works of Deng Xiaoping*, we must apply theories to the Army's reality. For the Army to act as required by the party and the Central Committee, it is necessary for the Army perform the following tasks successfully:

1. Enhance awareness of our Army's basic aim, and maintain the nature of the Army as the people's army. To serve the people wholeheartedly is the basic aim of the party and also the only aim of the Army. The identity of the basic aims serves as the political basis for the Army to act as required by the party. We must keep firmly in mind Comrade Xiaoping's instructions that the Army must consistently preserve its true qualities; be always loyal to the party, the people, the country, and socialism; conduct education in outlook on life, values, money, and power in order to solve the question of for whom one serves in the Army; constantly enhance awareness of the Army's basic aim—serving the people wholeheartedly; prevent the principle of commodity exchange being applied to the Army; and prevent the hired-hand mentality finding its way into the Army. No Army unit is allowed to infringe on the people's interests.

2. Enhance officers' and men's sense of mission, as well as the Army's combat effectiveness and deterrent force. Defending state sovereignty and national security are the sacred duty the party has entrusted to the Army. To act as required by the party, the Army must do a good job in discharging this duty and in army-building. The Army must pledge to fulfill the tasks assigned by the party at any time and under any circumstances. Our comrades in the Army must be prepared for danger in times of peace and must firmly foster the concept of our Army as a fighting force. As required by Comrade Jiang Zemin, our armed forces "must be qualified politically and competent militarily, must have a fine work style, must maintain strict discipline, and must be assured of adequate logistical support." They must focus on military training so as to raise their fighting capacity and improve their ability to meet emergencies so they can defend state sovereignty and national security in an effective manner.

3. Keep the Army highly centralized and unified at all times, and commit it to obey orders in all their actions. Our Army will be good for nothing and unable to fulfill the tasks assigned by the party if it is not highly centralized and unified at all times. Comrade Deng Xiaoping repeatedly stressed that officers and men are not to form small coteries or factions and create dissensions. To govern the Army with strict discipline, the high-ranking cadres must set an example by acting strictly according to regulations. Officers and men must foster the idea that they must submit themselves to the party's absolute leadership and

must obey under any circumstances the orders issued by the party Central Committee and the Central Military Commission with Comrade Jiang Zemin at the core.

4. Ideological and political work must be more principled and must serve immediate needs. Political work in the armed forces represents the party's ideological and organizational work in the armed forces. The first and foremost task of political work is to guarantee the party's absolute leadership over the Army. An army is an armed group, so the ideological education for the army should have a higher starting point and meet more strict demands than ideological education for other people. At no time should we ignore the importance of disseminating communist ideals. As advocated by Comrade Deng Xiaoping, all officers and men should be urged to emancipate their minds, emphasize reform and innovation, respect science, and do practical work. They should take into consideration the situation as a whole, unite and coordinate their efforts, be modest and prudent, learn from the advanced, and work hard to make contributions and attain goals without considering their own interests. In the meantime, officers and men should be encouraged to innovate in the spirit required by Comrade Jiang Zemin, who described this spirit in 64 characters. It is necessary to turn the instructions by Comrades Deng Xiaoping and Jiang Zemin into the Army's spiritual pillar so that the Army will be able to stand up for what is right and resist unhealthy tendencies.

5. Senior cadres should set an example by placing the party's interests first. For the Army to act as required by the party, it is necessary to build up an army of cadres who have both ability and political integrity. In particular, how senior cadres develop themselves, what their quality is like, whether they are pure in party spirit, whether they see far and wide, whether they are broad-minded, and whether they can have the situation under control and make big decisions, are matters of prime importance. More and more young comrades are being promoted to high-ranking leadership positions. Only when these people are allowed to take over and carry forward the tradition of veteran Red Army men can we ensure that the Army always will do what is required by the party.

By Shi Yuxiao [0670 3768 1321]: "The Army Must Be Subordinate to the Overall Interests of National Economic Development"

"The Army must subordinate itself to the overall interests of national economic development": This is the scientific policy decision made by Comrade Deng Xiaoping on the basis of the internal and external strategic situations. It is also important ideological guidance for army-building in the new period. Acquiring a profound understanding of, and resolutely implementing this ideological guidance is of far-reaching importance to keeping national economic development at the core of our work, as well as to long-term army-building.

Comrades in the Army naturally are very concerned with army-building. For this reason, Comrade Deng Xiaoping has dialectically expounded the relations between economic development and the building up of national

defense. He pointed out: "Everyone is concerned with army-building and with modernization of the Army's equipment. This is an issue concerning the overall situation. Among the four modernizations, one is the modernization of national defense. If we were to scrap the modernization of national defense, would it not be true that there would be only three modernizations? However, the four modernizations should be achieved in order of importance and urgency. Only when we have laid a better economic foundation can modernization of the Army's equipment be likely. So we have to wait for several years." He added: "If we can make a success of the economy, other things will be arranged easily. Now we must brace ourselves to ensure economic growth, wherein lie our overall interests. Other matters must be subordinated to these overall interests." How plain, deep going, sincere, and earnest are these remarks!

Only when the Army has the overall interests in mind can it conscientiously "exercise patience." For China, the opportunity to develop the economy in a big way knocks only once, and there will not be many favorable internal and external environments like we have now. If we do not brace ourselves and work against time to effect an upswing in the economy, we will achieve nothing in other fields. In all cases, we have to proceed from actual conditions, focus on key points, and follow an order of importance and urgency. We cannot undertake all projects simultaneously. Economic development was established as our central task by the party's basic line. There can be only one central task. The central task represents our overall interests, and all other issues must be subordinated to the overall interests. China is a big country, so the modernization of its national defense cannot be purchased with money. We must basically rely on our own efforts to achieve the modernization of the Army as required by the guiding principle advanced by Comrade Deng Xiaoping. At the same time, we can buy an appropriate amount of advanced military equipment. We must make a success of national economic development by relying on our own efforts. Only in this way can we improve our military equipment with the growth in our economic strength, and achieve the modernization of national defense in the end.

The Army must actively support economic development in various localities and must make its contributions to building socialism with Chinese characteristics. In times of peaceful construction, the people's Army is a force ensuring national security and social stability, as well as a vital force supporting national economic development. Comrade Deng Xiaoping clearly pointed out: "Various quarters of the Army have something to do with national economic development and must consider how they can actively support and participate in national economic development. The Air Force, the Navy, and the Commission of Science, Technology, and Industry for National Defense must release some people to support national economic development." The Army can give specific expression to its submission to the overall interests by actively supporting economic development in various localities, tempering itself in the process. This is a practice the benefits the country, the people, and the Army.

According to Comrade Deng Xiaoping's instructions, the Army has worked hard to support economic development in various localities over the last few years, and was praised by local governments and people for their performance. Supporting economic development in localities is the Army's long-term task. To do this job well, we must give play to the Army's superiority. For instance, we can take advantage of the defense industry, which is technology-intensive and is provided with technically advanced equipment, by building up a system that turns out both military and civilian products, thus fully tapping the potential productive capacity of the defense industry. The Army also should undertake key projects and play an outstanding role in fulfilling urgent, difficult, dangerous, and important tasks, as in the case of emergencies and disasters, because its members are concentrated and can bear hardship and do shock work. Giving full play to the traditional advantage of its ideological and political work, we should launch on a wide scale both the two-support drive and the drive for soldiers and civilians to join in common efforts to advance material progress, culture, and ideology. Soldiers and civilians should encourage each other to make progress together, foster an active and inspiring citizenry, improve the general mood of society, and promote socialist culture and ethics.

Ours is the people's Army, led by the party, and its only aim is to serve the people wholeheartedly. In the new historical period, economic development is an issue that concerns the overall situation, and is where the basic interests of the people of the whole country lie. As the people's own Army, we cannot push onto others the duty of safeguarding the people's basic interests. Our comrades in the Army must follow resolutely the policy decisions of the party Central Committee and the Central Military Commission, take the overall interests into account, and firmly adopt the guiding ideology that the Army must subordinate itself to the overall interests of national economic development. On 12 November 1989, Comrade Deng Xiaoping told all comrades attending an enlarged meeting of the Central Military Commission: "Our Army must always be loyal to the party, the people, the country, and socialism. I am convinced that our Army can meet these requirements. The test over several decades has proved that our Army will discharge its duties." In the critical period of reform and opening up, under the leadership of the party Central Committee and the Central Military Commission with Comrade Jiang Zemin at the core, we must consciously submit ourselves to the overall interests of national economic development, perform our duties honestly, and make fresh contributions to building socialism with Chinese characteristics.

By Gu Shanqing [6253 0810 1987]: "To Uphold Reform, We Must Firmly Oppose Corruption"

Comrade Deng Xiaoping has consistently advocated improving the party's work style, maintaining the integrity of party and government departments, and combating corruption in all forms. As early as when we started introducing reform and opening up, he clearly pointed out the need to improve the party's work style, and to oppose

and guard against corruption, likening the anticorruption campaign to a matter of life and death for the party and country, thereby sounding a timely alarm for the whole party. Over the last decade or more, Comrade Deng Xiaoping has attached great importance to the anticorruption campaign in the course of reform and opening up, and has given a series of important instructions about this campaign. During his south China tour in 1992, he said once again, and in clear terms: "Throughout the course of reform and opening up to the outside world, we must combat corruption." It is essential now for us to study conscientiously Comrade Deng Xiaoping's important exposition on combating corruption; to arm our minds and seek unity of thinking with this theory; to acquire a correct understanding of the relationship between combating corruption on the one hand, and reform, opening up, and developing a socialist market economy on the other; and to enhance our consciousness and sense of urgency in combating corruption.

It is important to persist in our endeavor to combat corruption. Comrade Deng Xiaoping pointed out: "The efforts to improve the party's work style, rectify unhealthy tendencies, and crack down on criminal activities must last as long as our policies for opening China to the outside world and for enlivening the economy. This is long-term work, which must be carried on throughout the course of reform and opening up." Negative and decadent phenomena have very complicated social, historical, political, economic, ideological, and cultural roots. We cannot expect to eliminate these phenomena by launching several movements, though they may be fierce as "hurricanes." We should be aware that although certain decadent phenomena can be suppressed in a certain period, they will come to life again in a new form, given an appropriate climate. In the course of developing a socialist market economy, it is precisely during the period when the old system is being replaced by the new that corruption is likely to grow and spread. Therefore, we must regard the anticorruption campaign as regular work and must persist in the endeavor.

First, it is necessary to make a success of ideological education so as to lay a sound ideological foundation for combating corruption. Ideology acts as a guide for action. Generally speaking, the ideological roots of various negative and decadent phenomena are mammonism, hedonism, and extreme egoism. If we ignore ideological education and fail to lay a sound ideological foundation for party-member cadres, we can resist decadent ideas for only a short period, rather than for a long time. Therefore, to improve the party's work style and build clean government, we must get to the "root" of the issue, that is, we must lay a sound ideological foundation. At present, we must conduct education in outlook on life and values, while combating mammonism, hedonism, and extreme egoism. Under the new situation of reform and opening up, it is necessary to call loudly for remolding of everyone's world outlook. Every cadre must bear in mind Comrade Zhou Enlai's teachings: "Learn, work, and remold yourself for as long as you live." They must conscientiously enhance their party spirit and raise their ideological level

so as to ensure that they will not become corrupt at any time or under any circumstances, thereby demonstrating their sterling qualities as communists.

Second, it is necessary to use laws as our weapons to prevent corruption. During his south China tour, Comrade Deng Xiaoping pointed out: "We still should draw support from the legal system because this will provide a more reliable basis for our work." Combating corruption is a regular task, and we must carry out this task by drawing support from laws, rules, and regulations. China has formulated many laws and statutes, and will amend and improve them, and formulate new ones as the situation develops. For now, we must work toward the point at which: When there is a law, it is observed; enforcement is strict; and lawbreakers are prosecuted. In order to maintain the inviolability of the law we must punish severely those corrupt elements who defy the law. We must see to it that some localities and units stop acting against the law; being soft on lawbreakers; and turning big problems into small ones, and small ones into no problem at all. We should take effective measures to enhance public awareness of the need to abide by the law so that everyone will act conscientiously in accordance with the law.

Third, it is necessary to do practical work in good earnest. By saying that combating corruption is a long-term task, we mean that we must carry out the task step by step, and that we must tackle specific problems one by one. Comrade Deng Xiaoping spoke of this point very clearly when he said: "In combating corruption, we can easily identify important cases, but we often fail to deal with them. In this way, we will lose popular support; the people will believe that we harbor corrupt officers and cover up their evil deeds. We must correct our past mistakes earnestly. We must call a spade a spade. We must handle all criminal cases according to the law in order to win the confidence of the people." The key to combating corruption lies in taking action. At present, some people are filled with indignation when talking about corruption and unhealthy tendencies, but they "keep silent" when talking about their own problems or the problems of their units. Some leading cadres are clear about the problems of their units, but they hesitate to take action. As a result, those problems that should have been settled long ago have remained unsettled for a long time. To really combat corruption, it is essential for leading cadres to deal first with those cases that arouse the strongest resentment among the masses in their departments or units. They must persevere in this task until they achieve success. The party's work style and the general mood of society certainly will turn for the better in the end if we persist in dealing with corruption cases one by one.

Fourth, leading cadres must set a good example by practicing what they advocate. The success or failure of our efforts to combat corruption hinges on leadership. If leading cadres are honest in performing their official duties, they will have strong backing in the struggle against corruption, and their words will carry weight, find a ready response among the masses, and have a great impact. Therefore, leading cadres—and senior leading cadres, in particular—must take the lead in carrying forward our fine

tradition, observing discipline and the law, performing official duties honestly, exercising self-restraint, and being strict with their family members and the cadres close to them. They should set an example not only at one time and in one instance, but also set an example for life. Only in this way can they lead the large numbers of party members and people in carrying out the anticorruption struggle to the end so as to ensure the smooth progress of reform, opening up, and the modernization drive.

By Zhang Shutian [1728 2885 3944]: "Stability Is the Key to Developing China Into a Powerful Country"

In many articles in Volume 3 of *Selected Works of Deng Xiaoping*, Comrade Deng Xiaoping expounded on his strategic idea that "preservation of the country's stability is a matter of paramount importance," and incisively pointed out the key to developing China into a powerful country. He said: "In solving China's problems, we must give top priority to stability. Without a stable environment, we will achieve nothing, or will forfeit what has been achieved. Preserving stability is in the best interests of the Chinese people and is the major prerequisite for administering the country.

Comrade Deng Xiaoping also pointed out: To attain China's strategic objective and to carry through its strategic plan in three steps calls for stability, both of the political situation and of policy. The key to our four modernizations, reform, and opening up lies in stability. China is a country with a dense population and a poor foundation to start with. It will achieve nothing without political stability and unity, and without stable social order. That "preservation of the country's stability is a matter of paramount importance" is a scientific conclusion drawn from Chinese and foreign historical experience.

Stability leads to prosperity, while disorder leads to decline. This has been proved by Chinese and foreign history. After the Opium War, China degenerated from a country with an ancient civilization into a backward country trampled upon by imperialist powers, and thus was denied opportunities for development for about 100 years. Looking back on Chinese history, we can see that apart from the decadent and moribund feudal system, endless turmoil caused by domestic trouble and foreign invasion was an important factor preventing China from making progress. The facts over the 40 years following the founding of New China also prove that when we enjoyed political stability and unity, we made rapid progress in socialist revolution and construction; when stability and unity were disrupted, the vitality of the socialist revolution and construction was sapped.

To maintain stability is to promote economic development, and to promote economic development will, in turn, further maintain stability. To promote economic development and carry out reform, we must strive hard to create a peaceful international environment and maintain domestic stability. Only when stability prevails can we unswervingly follow the basic line for 100 years, attain our strategic objective, and carry through our strategic plan. In

the meantime, only when we have developed China into a powerful country can we consolidate stability and achieve prolonged stability.

To maintain stability, the most important things to do are to uphold the four cardinal principles and focus on economic development. For a country, rapid economic growth is a sign of prosperity and also lays the material foundation for stability. Comrade Deng Xiaoping said: "To improve ideological and political work, it is necessary to advocate hard work, but this is not enough. Basically, we must rely on economic growth to maintain stability, and we must see to it that the people's livelihood is improved gradually with economic development. Only when the people realize the actual benefits brought to them by stability, the existing system, and our policies can we have real stability. As long as we achieve this, we will be as stable as Mount Taishan, regardless of any change in the international situation." This shows that economic growth and stability are mutually conditional.

We will make the foundation for stability more and more secure by persisting in making economic development our central task. Replacing the guideline of "taking class struggle as the key link" with the principle of focusing on economic development is a correct choice which we made after evaluating the experience in socialist construction. Comrade Xiaoping said: "If we deviate from the central task of economic development, we will be in danger of being deprived of the material foundation for stability." If we give up this central task, we will go back to the era of poverty and backwardness, and will meet our doom. If we go bankrupt economically and the people are thrown into confusion, turbulence will occur. On the contrary, if we focus on economic development and the people are in a calm, unruffled mood, piping times of peace will follow.

With reform and opening up proceeding in depth, there will be more and more factors favoring stability. As reform deepens and China opens more widely to the outside world, we will further display the superiorities of socialism, will alleviate economic conflicts and social contradictions, and factors favoring stability will increase. Just as Comrade Xiaoping put it: "China must persevere in reform and opening up because therein lies the hope of solving China's problems. But to carry out reform, we must have political stability."

The Chinese people's armed police forces are an important component of China's armed forces and an important force for defending the socialist modernization drive. They are shouldering the sacred task of safeguarding national security and social stability. It is the objective of strengthening the armed police forces and the demand for maintaining stability, to develop the police forces into an army of steel which is "qualified politically and competent militarily, has a fine work style, adheres to strict discipline, and is ensured of adequate maintenance and supplies." When meeting all the comrades attending an enlarged meeting of the Central Military Commission on 12 November 1989, Comrade Deng Xiaoping called on them always to be loyal to the party, the people, and socialism, and to defend our country's socialist cause and

the series of lines, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee, thus making greater contributions. These are basic requirements for army-building in the new period and are also objectives for strengthening the armed police forces. We must study earnestly and carry out resolutely the instructions of Comrade Deng Xiaoping. The armed police forces must always follow the party's absolute leadership; obey the orders of the party Central Committee and the Central Military Commission with Comrade Jiang Zemin at the core; and resolutely implement the instructions given by the party Central Committee, the State Council, and the Central Military Commission in a bid to develop the forces into an army of steel, an enforcer and defender of the party's basic line, and a main force for maintaining social stability, thus making fresh contributions to safeguarding national security and social stability.

Part Two

HK0312004293 Beijing JIEFANGJUN BAO in Chinese 15
Nov 93 p 3

["Leading Comrades of Some Major PLA Units Talk About What They Have Gained From Studying Volume 3 of *Selected Works of Deng Xiaoping*"; second of two installments under the general headline: "Earnestly Study Volume 3 of *Selected Works of Deng Xiaoping*"]

[Text]By Li Wenqing [2621 2429 0615]: "Strengthen and Improve Ideological and Political Work in Line With Imprints of The Times"

Through studying Volume 3 of *Selected Works of Deng Xiaoping*, I profoundly realized that under the new situation, Comrade Deng Xiaoping's exposition on ideological and political work has enriched and developed Comrade Mao Zedong's theory on ideological and political work. Apart from bearing the general characteristics of Comrade Mao Zedong's theory on ideological and political work, Comrade Deng Xiaoping's new theory has developed Comrade Mao Zedong's theory on many points, so it is of great practical importance to our ideological and political work for the new period and must serve as our guide in this work.

1. Comrade Deng Xiaoping's theory on ideological and political work bears the distinctive imprint of the times. In drawing up the magnificent plan for China's socialist modernization drive, reform, and opening up, Comrade Deng Xiaoping, in line with objective demands of the modernization program, set new tasks and requirements for ideological and political work, consistently regarded ideological and political work as an important component of the modernization program, and closely related this work to the central task of the modernization program.

The socialist modernization drive presently is our politics of prime importance. If we deviate from the modernization drive, our politics will become phony, and we will go against the greatest interests of the party and the people. Therefore, Comrade Xiaoping demanded that the work in all fields must be subject to and serve the overall interests of the modernization program. In doing ideological and

political work in the new period, we must make serving the socialist modernization drive our objective and basic task.

The distinctive features of the new period are reform and opening up. Comrade Deng Xiaoping repeatedly pointed out the need to study and solve various ideological problems that have cropped up for cadres and the masses in the new period, and the need to make helping people emancipate their minds and update their ideology an important aspect of ideological and political work. He also called on cadres to study modern scientific and technical know-how and to absorb the quality advancements of other cultures, while studying political theories, thus giving ideological and political work new content that complies with the needs of the times and breathes new life into the work.

2. The theory bears distinctive pragmatic characteristics. Comrade Deng Xiaoping is a typical example of seeking truth from facts. He is good at studying new situations and solving new problems in line with actual conditions. In commenting on ideological and political work, he consistently adopted a scientific attitude and methods. For instance, on the problem of the role played by ideological and political work, he profoundly expounded the dialectical relations between political and economic matters, those between material and ideological constructions, and those between ideological-political work and work in other fields, thus providing a scientific theoretical basis for acquiring a correct understanding of the role of ideological and political work in the new period. He resolutely corrected "left" deviationist mistakes such as "taking class struggle as the key link," "giving prominence to politics," and the "spirit is all powerful." He also repeatedly reminded the entire party membership of the need to guard against, and to overcome the tendency of ignoring or weakening ideological and political work. On the problem of emancipating the mind, he pointed out: "Emancipating the mind means making our ideas conform to the actual situation, subjectivity to objectivity, in other words, seeking truth from facts." Regarding the style of ideological and political work, Comrade Deng Xiaoping stressed the necessity of speaking the truth rather than telling lies, talking big, and indulging in idle talk; of following the mass line; of opposing bureaucracy; of doing practical and effective work; and of rejecting formalism.

3. The theory features a scientific innovative spirit. Comrade Deng Xiaoping attaches great importance to the fine tradition of ideological and political work, and has stressed repeatedly the need to carry forward that fine tradition. On the other hand, he told us to integrate this fine tradition with the new reality, instead of regarding the fine tradition as a dogma. He said: "We should constantly explore solutions to new problems in light of changing reality." That is how he was able to build up theories that agree with reality, and how he was able constantly to enrich and develop the fine tradition of ideological and political work, while upholding the fine tradition, thus achieving dialectical integration of carrying forward and developing the fine tradition.

Comrade Xiaoping resolutely scrapped the incorrect "left" deviationist practice of solving ideological problems by

launching political movements. He proposed settling questions of an ideological nature in a democratic way and by the method of persuasion, education, criticism, and self-criticism, as well as by integrating ideological and political work with the building of a legal system, with tightening discipline, and with solving practical problems. China's economic system is now shifting onto the course of a socialist market economy. This great change will have an extremely profound impact on the ideology of the large numbers of officers and men, and will make stricter demands on ideological and political work. Developing a socialist market economy will inject a new life into our economic activities and social life, but in the situation of a market economy, mammonism, hedonism, and extreme individualism will grow. As the socialist market economy expands, people also will be required to create a new way of life which suits the needs of the market economy. At present, the people are diversifying their ways of consumption, enhancing their consciousness of science and technology, and enriching their cultural life. However, as the scope of commodity exchange expands and competition intensifies, such negative phenomena as the profit-before-everything mentality and seeking private gain at public expense, will grow. In such a historical period of a great change, there can be only one way for us to give play to the power of our Army's traditional ideological and political work: Study in a down-to-earth manner Comrade Deng Xiaoping's expositions on ideological and political work for the new period, and use his stand, viewpoint, and method in studying and understanding the characteristics of ideological problems of officers and men and finding a solution so that our Army's ideological and political work will be constantly improved to serve the purpose of turning our Army into a modernized army.

By Zhang Gong [1728 1562]: "The People's Army Is Always Loyal to the Party"

After studying Volume 3 of *Selected Works of Deng Xiaoping*, I keenly realized that Comrade Deng Xiaoping had paid great attention to army-building. He made a scientific analysis of the domestic and international situations from the strategic need to safeguard the country's prolonged political stability and to ensure safety in reform, opening up, and the socialist modernization drive. He put forward a timely series of important ideas on army-building in the new period, with the stress on maintaining the Army's true qualities and functions.

When meeting with all the comrades attending an enlarged meeting of the Central Military Commission on 12 November 1989, he said earnestly: "I am fully convinced that our Army always will maintain its true qualities. This means our Army always will be the party's army, the people's army, and our socialist country's army." Then he stressed: "Our Army must always be loyal to the party, the people, and socialism. I hope you will do a good job in army-building under the leadership of the party Central Committee and the Central Military Commission with Comrade Jiang Zemin at the core so as to make better and greater contributions to defending our country's independence and sovereignty, and the series of lines, principles,

and policies formulated since the Third Plenary Session of the 11th Party Central Committee." Comrade Xiaoping's teachings are concise and comprehensive, and are of far-reaching significance. The central ideas of his teachings are that we always must preserve the true qualities of the people's army, that we always must bear in mind that ours is the party's army, and that our Army always must be loyal to the party and the party's cause.

Implementing Comrade Deng Xiaoping's important ideas is the basic demand for army-building in the new period. In my view, for the Army always to be loyal to the party, we must pay regular attention to following matters:

1. The Army must uphold and submit itself to the party's absolute leadership over it, doing as the party says. Upholding the party's absolute leadership is a basic principle of army-building and is our Army's most noticeable characteristic. It is of important and practical significance to reiterate and stress the party's absolute leadership over the Army in the new period because this will determine whether the gun is firmly in the hands of the party or in the hands of those who will act as the party says, and also will determine whether our Army will be qualified politically—a matter of prime importance. Comrade Deng Xiaoping repeatedly pointed out: Army units "are not allowed to form small coteries and to flaunt their own banners." He gained this important experience from his work as an army leader for many years. The mountain- stronghold mentality and sectarianism are corrosives that disrupt unity, as well as vulgar practices that endanger the party's cause and army-building. They are incompatible with a party spirit. To uphold the party's absolute leadership over the Army, we must wage a resolute struggle against this erroneous tendency.

2. The Army must arm the minds of officers and men with the theory of building socialism with Chinese characteristics so that they will defend and follow the party's lines, principles, and policies in a conscientious way. During his south China tour, Comrade Deng Xiaoping emphasized: It is essential to do a good job in teaching our armed forces. Our armed forces must safeguard the lines, principles, policies, rules, and regulations formulated since the Third Plenary Session of the 11th CPC Central Committee. This demand for loyalty to the party is a new demand placed on the Army by the new period in which we are pressing ahead with reform, opening up, and the modernization drive. To fulfill the task assigned to us by Comrade Xiaoping, the most important things for us to do are to arm the minds of officers and men with the theory of building socialism with Chinese characteristics, to firmly foster the idea that the party's line must be carried out unswervingly for 100 years, and to think and act in compliance with the party's strategic decisions.

3. The Army must carry forward our party's and Army's fine tradition, and must preserve the true qualities of the people's army. Our Army's fine tradition finds concentrated expression in Comrade Deng Xiaoping's call for "displaying revolutionary enthusiasm, a death-defying spirit, the spirit of strictly observing discipline and self-sacrifice, the spirit of unselfishness and putting other

people's interests ahead of one's own, the spirit of crushing any enemy and overcoming any difficulty, the spirit of adhering to revolutionary optimism, and the spirit of surmounting every difficulty so as to win victory."

For the Army to preserve its true qualities as the people's army in the new situation and always to be loyal to the party, the people, the country, and socialism, it must continue to carry forward this fine tradition and to display revolutionary enthusiasm. Our present tasks and objectives are different from those in the war years, and so are our conditions and environment, but our fine tradition and revolutionary enthusiasm will never become outmoded and will continue to serve as a powerful motive force, driving us to carry out reform, innovate, and clear the way so as to forge ahead.

On the eve of the 14th CPC National Congress, Comrade Deng Xiaoping stressed once again: The Army must carry forward its fine tradition and preserve the true qualities of veteran Red Army men. The Central Military Commission, chaired by Comrade Jiang

Zemin, attached great importance to Comrade Deng Xiaoping's instructions, and immediately made major decisions and arrangements for carrying them out. Comrade Jiang Zemin also systematically and profoundly expounded our Army's fine tradition, summarizing it in 10 points so that we have a better guideline to follow in carrying forward this fine tradition. We must follow the Central Military Commission's plan to further carry forward our party and Army's fine tradition.

By Zhang Xusan [1728 1645 0005]: "Training Qualified Personnel and Giving Play to Superiority in Talents Is the Key to Modernization"

In connection with my work over the last few years, when studying Volume 3 of *Selected Works of Deng Xiaoping*, I reflected more on Comrade Deng Xiaoping's comments on the problems concerning professionals. I feel that the essence of his comments on the problem concerning professionals can be summarized in the following sentence: Train qualified personnel and give play to our superiority in professionals in order to step up the modernization drive.

When Comrade Xiaoping devised the blueprint for building socialism with Chinese characteristics, he attached great importance to the problem of training qualified personnel and giving play to our superiority in professionals. Throughout the book, there are many articles on the problems of professionals. In 1984, when talking about the decision on economic restructuring, he said: Of the 10 decisions, decision nine is the most important one. It "can be summarized in eight characters: 'respect knowledge and talented people.' The key to our success or failure is whether we can discover and use talented people." In 1988, he put forward the famous thesis that science and technology are primary productive forces, and pointed out the important part played by scientific and technological personnel. Comrade Xiaoping wrote an inscription for the Jingshan School to the effect that "in conducting education, we should look toward

modernization, the world, and the future," clearly pointing out "three directions" in training qualified personnel.

In the practice of providing guidance for the socialist modernization drive, he resolutely introduced the system of postdoctoral study, as suggested by Professor Li Zhengdao, a system that has played an active role in training young researchers and in spreading the use of scientific and technological achievements. During his south China tour, he once again stressed that intellectuals are a part of the working class, and that both old and young experts and scholars are precious wealth for China's construction enterprise, thus further arousing the enthusiasm of large numbers of scientific and technological personnel. It is safe to say that the remarkable achievements China has made in training and introducing professionals are rich fruits produced by Comrade Deng Xiaoping's ideas on the need to bring up professionals.

Through studying Volume 3 of *Selected Works of Deng Xiaoping*, and based on the comments he made in Volumes 1 and 2 of *Selected Works of Deng Xiaoping* on the need to train professionals, I believe that the basic contents of Comrade Deng Xiaoping's comments on the need to train qualified personnel are as follows.

1. It is necessary to acquire an adequate understanding of the importance and value of qualified personnel. Comrade Deng Xiaoping's understanding of the value of qualified personnel features a brand new perspective and a profound view. He connected the issue with the future of the party and the country, and with the success or failure of China's socialist cause. He believed that the issue of qualified personnel is a strategic matter of life and death, and of long-term interest to our party and country. During his south China tour in 1992, Comrade Xiaoping once again pointed out: In a sense, whether we can successfully solve China's problems; whether we can uphold socialism, reform, and opening up; whether we can develop the economy at a greater pace; and whether we can achieve long-term political stability are to be determined mainly by the human factor. He assessed the value of qualified personnel from the urgent demand for them in liberating and developing the productive forces. He repeatedly emphasized: Science and technology are primary productive forces. Without science and technology, China's economic development would be out of the question. We must develop in the party a feeling of respect for knowledge and for talented people.

2. It is necessary to form a reasonable structure and a hierarchy [ti ci 2748 2945] of qualified personnel. The qualified people referred to by Comrade Deng Xiaoping are qualified people in a broad and evolutionary sense. In terms of the types of qualified people, there are people with leadership capability, people with management capability, and people with other special capabilities, who are needed by all walks of life. In terms of the structure of qualified people, there are individual [ge ti 0020 7555], collective, cultural, and age structures. He said earnestly: "It will be great if, one day, China has a large number of middle-aged

outstanding statesmen, economists, strategists, and diplomats. Likewise, we hope China will have a large number of middle-aged outstanding scientists, educationalists, writers, and other experts."

3. It is necessary to choose the best person for every position. Comrade Xiaoping believed that if we can choose the right person for every position, our cause will promise high hopes of success. He repeatedly stressed the need for leading cadres to regard choosing qualified people as a job of "prime importance." Comrade Deng Xiaoping formulated a scientific and comprehensive principle for choosing cadres which requires us to select cadres who are "more revolutionary, younger in age, better educated, and more professionally competent," and he demanded that we promote to leadership positions those who are politically reliable, professionally competent, and well accepted, and who uphold reform and opening up, and have made achievements in their official careers.

By Liu Anyuan [0491 1344 0337]: "Have a Comprehensive Understanding of Development and Change in the Present World Situation"

Arriving at a clear understanding of the development and change in the world situation, and grasping the top priorities on the present international agenda are important prerequisites for formulating correct strategic decisions. After observing soberly and analyzing scientifically the change in the international strategic pattern since the 1980's, Comrade Deng Xiaoping drew the scientific conclusion that peace and development are the two top priorities on the international agenda today. He pointed out: "The real big problems for present world, or the global strategic problems, are the problem of peace and the economic problem, in other words, the problem of development. The problem of peace is a matter for the Eastern and Western worlds, while the problem of development concerns the northern and southern hemispheres. These problems can be summarized in four characters: east, west, north, and south. The core problem is that of development concerning the northern and southern hemispheres." Comrade Deng Xiaoping's scientific judgment of the top priorities on the current international agenda represents a major development of Marxist theory on the times, and also constitutes the basis for formulating our Army's strategies and its basic principles and policies. Studying Comrade Deng Xiaoping's scientific thesis on the top priorities of the era is of great importance to acquiring a correct understanding of, and grasping the strategy for army building in the new period. Based on his analysis of the new characteristics of the world situation, Comrade Deng Xiaoping said that "we have changed our original position that a new world war is impending" and advanced the judgment that "it is likely that a large-scale world war will not break out for a comparatively long period and that world peace can be preserved." Later he pointed out: "According to our analysis, a new world war will not break out, but we will not be afraid of it if it does break out." Comrade Deng Xiaoping's scientific understanding of the world situation gives vivid expression to his theoretical valor, his spirit of seeking truth from facts, and his courage

and resourcefulness. It is possible that a large-scale world war will not break out for a fairly long period. It is on the basis of his correct understanding of the present era that Comrade Deng Xiaoping formulated the ideological guidance for army-building, demanding that the Army should turn away from its preparedness for fighting a early war, a large scale war, a nuclear war, and toward peaceful construction. He also called on the armed forces to pay attention to quality, create the best army that our conditions permit, reform themselves in several basic fields over time while submitting themselves to the overall interests of national economic development, readjust their establishment quotas and management system, update their weaponry, train cadres, and set up and improve rules and regulations to increase their fighting capacity under modern conditions, especially hi-tech conditions.

Since the 1980's, the world has witnessed a series of major events, such as the evolution of Eastern Europe and the disintegration of the former Soviet Union, with the result that the world now is moving in the direction of multipolarization. However, although the bipolar structure has come to an end, the grave confrontation between the two military blocs has disappeared, and the rivalry of military blocs will not come into existence for the time being, various contradictions are intensifying, and the factors restraining a new world war also are undergoing a change. The development and change in the international situation over the last few years has fully demonstrated the correctness of Comrade Xiaoping's judgment that a new world war would not break out for a fairly long time.

In the meantime, we should be aware that as forces are disintegrating and their elements are being realigned, old and new problems are getting into tangles and the situation is becoming complicated. Again, because hegemonism and power politics are still in existence in the international arena, the root of war has not been dug out. So our Army must not at any time "put the weapons back in the arsenal and graze the war horses on the hillside." Our armed forces must develop the idea that they are always fighting forces and must be ever prepared against war.

In his report to the 14th CPC National Congress, Comrade Jiang Zemin said: "The Chinese People's Liberation Army is the strong shield of the people's democratic dictatorship, a great wall of steel protecting the socialist motherland, and an important force for building socialism with Chinese characteristics." In accordance with Comrade Deng Xiaoping's concept of army-building and the demands of the Central Military Commission, we must achieve a clear understanding of our duties; enhance revolutionary vigor; improve the Army's political and ideological work; and strengthen education and training for Army units, and particularly for cadres, so as to achieve the optimum integration of man and weaponry. We must stress the need to study modern scientific and technical know-how, especially high scientific and technical know-how; make the large numbers of officers and men more qualified politically and competent militarily; carry forward the political advantages unique to our Army; and firmly foster the confidence that we can use existing equipment to defeat

the enemy, so that our armed forces will have high morale under any difficult conditions and can successfully fulfill the various tasks assigned them by the party and the people.

Economic & Agricultural

Jiang Zemin Rules Out Option of Privatization

HK0312001693 Hong Kong LIEN HO PAO in Chinese 1
Dec 93 p 1

["Special dispatch" from Beijing by the Mainland Press Center: "Faced With Calls for Property Rights Revolution, Jiang Zemin Issues an Internal Statement, Saying: Do Not Expect This Generation To Take China to Privatization"]

[Text] The decision adopted by the Third Plenary Session of the 14th CPC Central Committee on several issues concerning the establishment of a socialist market economy structure has clearly marked the beginning of a new phase for mainland China's economic reform. In the face of increasing calls for a "property rights revolution" and for "privatization" raised by the mainland enterprise and economic circles, Jiang Zemin made it clear in a recently issued restricted circular that "people should not in the least expect this generation to bring about privatization in China."

In its "Decision," the CPC Central Committee has already declared its plan to "initially build up a socialist market economy structure by the end of this century." According to explanations offered by high-level authoritative figures, this plan actually will be carried out in three steps: The first step is to turn the existing dual-price system into a single-price system, and complete the framework of the new structure in three years, that is, in 1997 when Hong Kong returns to China's sovereignty. The second step is to perfect the new structure in another five-year period, that is, by the beginning of the next century. The third step is to spend 20 years, that is, up to the year 2020, to turn the new structure into a mature one that enjoys a healthy operation. According to the plan already drawn up, during the first step of the coming three or four years, China's main tasks are to facilitate five reforms and set up six systems.

—A modern enterprise system: This system is aimed, 1) on the basis of property rights relations, to equalize tax burdens, to give equal treatment to nationals, and to abolish discriminative tax items. 2) To conduct corporatization reform in state-owned enterprises so as to turn them into limited-liability companies, reorganize monopoly enterprises into solely state-owned companies, to put the joint-stock system into practice in most competitive enterprises, and to resell medium-sized and small enterprises or turn them into joint-stock companies. 3) To reinforce management of state assets, with a view to readjusting the distribution structure of state assets, reduce the proportion of state-owned industrial enterprises, and shift state assets in large quantities to those industries that turn out public products.

—A modern market structure: At present, the dual-price system still remains a serious problem with essential

factors of production. As a result, many people are engaged in speculation and profiteering in foreign exchange, land, and stock markets. To put an end to this situation, the system is aimed at bringing about a single-price system in the labor force market so that wages will be paid in real terms, incorporating all allowances and welfares; bringing about a single-price system in the capital market so as to enable the market to center around interest rates; bringing a single-price system to the securities and stock markets, paralleling all state, corporate, and individual shares; facilitating the free conversion of foreign exchange gained through trade; and building up the technology, information, and real estate markets, and putting into effect a single-price system in the compensated use of land.

- A modern monetary system: Under this system, the central bank will transform its functions and roles, commercial banks will change their operational mechanisms, and a standardized monetary market will be built up. At present, the central bank is a management organ, as well as a profit-making institution, and its local branches are mingled with local governments. This practice is not beneficial to exercising macrocontrol and regulation over the monetary system. In the future, the major functions and roles of the central bank will be currency supervision, clearance, and banknote issuance, thus becoming the bank of all banks. Meanwhile, commercial banks should extricate themselves from policy businesses, while investment, securities, and savings deposit institutions should be separated from commercial banks. The Bank of China, the People's Construction Bank, and others will become independent commercial banks; the Communications Bank of China and others will be turned into joint-stock banks; while localities will be encouraged to set up their own banks. Three policy banks—the long-term development and credit bank, the import-export bank, and the peasants' bank—will be set up which will grant policy loans to selected projects in accordance with state industrial policy and industrial projects provided. These policy banks are required to ensure that the projects to which they grant loans are not unprofitable, but ones that can yield certain profits. The capital sources of these banks will be mainly social insurance, postal, and investment funds. Efforts will be made—through rediscount, reserves, and publicizing market transactions—to readjust the monetary market and particularly to set up an orderly bond market.
- A modern financial and taxation system: This system is aimed at 1) Readjusting the taxation system, gradually turning product tax into value-added tax, and putting into practice a taxation system that relies mainly on indirect taxes; and 2) carrying out the system of separating tax from profit, trying to accomplish the goal of stressing efficiency in the first distribution and displaying fairness in the second.
- A modern investment system: Under this system, a project ownership system will be put into effect, and the main body of investment, in a broad sense, should be enterprises.

—A social insurance system: This system includes compulsory social insurance, commercial insurance, and social relief. At present, the social insurance system consists mainly of three insurances: Pensions, medical care, and unemployment. Job-waiting insurance will be undertaken by labor departments, medical insurance by various localities, and pension insurance by nationwide central organizations.

Li Lanqing Addresses Development Zones Symposium

OW0212151893 Beijing XINHUA Domestic Service in Chinese 0827 GMT 8 Nov 93

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 8 Nov (XINHUA)—At a symposium on promoting the healthy growth of development zones [DZs] held here recently, Vice Premier Li Lanqing pointed out: China has made noticeable progress in the pioneering undertaking of establishing DZs. He said: The present rectification of DZs is not aimed at stopping their construction, but at drawing up overall planning on their rational distribution so as to avoid blind development and help them grow healthily. To make the existing DZs serve as windows of China's opening to the outside world, we must do a better job in running them so that we will gain more experience in our explorations for operating mechanisms of a socialist market economy, and raise the construction of these zones to a new level.

In view of the central policy of strengthening macro-control and the comprehensive review of all types of DZs, what should we do to raise the construction of these zones to a new level? This was the topic of the symposium sponsored by the Development Research Center [DRC] under the State Council, the Academic Committee under the State Planning Commission, and JINGJI RIBAO, where representatives of relevant State Council departments and the provinces, cities, and DZs concerned—over 150 in all—reviewed China's experience in construction of DZs, compared notes on problems in the development of DZs, and studied ways to promote their healthy growth.

Li Lanqing pointed out at the symposium: Construction of DZs is overheating in some localities. This is certainly not favorable because their development is haphazard; on the other hand, most of the DZs approved by the state, especially those with a head start, have been successful. These successes may be attributed to the creative exploration by all of us under the line of reform and opening up set by Comrade Xiaoping. The ongoing rectification of DZs by no means suggests that the DZs' many good experiences are not worthwhile. DZs that have been approved and are doing well must continue marching forward in actively exploring new experiences through practice and accumulating more successful experiences in establishing a socialist market economy.

Li Lanqing said: DZs that have been approved must bear in mind the following points in their development: Construction of DZs should be carried out in connection with the renovation of the old cities and existing enterprises;

where conditions permit, existing enterprises in the city may be moved to a DZ and rebuilt in a joint venture with foreign investors. In this way, we can simultaneously renovate the old enterprises and readjust the production mix, killing two birds with one stone. For example, besides renovating old enterprises, updating their equipment, and turning dated products into new products with a ready market, we can clear out the land in downtown areas for development of housing and service trades, thereby reviving the city's functions as a center for commerce and services. We should keep development within the limits of our capabilities, saving every inch of land wherever possible and stressing practical results. DZs adjacent to rural communities may take into account the development of rural towns and enterprises in devising their own development blueprints. We must draw up overall plans, lay stress on practical results, and avoid blindly launching new zones without proper planning.

Yang Shangde, editor in chief of JINGJI RIBAO presided over the opening ceremony. Sun Shangqing, director of the DRC, spoke at the symposium.

Zou Jiahua on Diversification of Coal Industry

HK0312122793 Beijing XINHUA Domestic Service in Chinese 0250 GMT 22 Nov 93

[By RENMIN RIBAO reporter Fei Weiwei (6316 0251 0251) and XINHUA reporter Zhang Chaowen (1728 6389 2429): "At National Work Meeting on Coal Diversification, Zou Jiahua Calls For Putting Economic Efficiency in First Place"]

[Text] Beijing, 22 Nov (XINHUA)—State Council Vice Premier Zou Jiahua pointed out at the national work meeting on coal diversification that in the development of a diversified coal industry, our country must uphold the principle of "focusing on one industry, treating coal as the basis, seeking diversification, and developing tertiary industry."

The national work meeting on coal diversification was held in Beijing beginning 17 November. Zou Jiahua attended the meeting and gave a speech on 20 November. He pointed out: It is a longstanding problem that the coal industry employs too many workers and has too few benefits. In the process of building a socialist market economy, it is necessary for the coal industry to have a better understanding of its problems. We must increase productivity, reduce the staff, transfer redundant staff to other posts, and pursue diversified development. We must treat these as strategic measures in helping coal mines escape their stalemate and improve benefits, as well as in facilitating the transformation of coal enterprises, thus enabling the coal industry constantly to adapt to the development of the socialist market economy.

Zou Jiahua pointed out: It is necessary to orient the diversified development of the coal industry toward the market. Coal mines can develop as long as there are social needs and marketable products. In the first place, moreover, we must pay attention to economic benefit and try to increase the added value of coal products. He said: The

state supports coal enterprises in building the Kengkou power station and in transferring coal transportation into power transmission, which not only will improve coal enterprises' economic benefits, but also will reduce railway transportation, so it should be advocated vigorously. Zou Jiahua also urged that coal enterprises, while pursuing diversified development, strengthen internal enterprise management, try to improve product quality, develop new products, succeed in marketing coal products, and constantly seek development under the conditions of market competition.

It has been learned that the party Central Committee and the State Council have set great store by the diversification of our coal industry. This year, the state has promised to provide the coal industry with 200 million yuan in loans at a discounted rate so as to help the industry pursue diversified development, and all these loans were granted recently. The Ministry of Coal Industry said that coal enterprises throughout the country must put these valuable funds to good use so as to advance the comprehensive utilization of coal, the process of diversification, and the development of tertiary industry to a new stage.

Government To Issue First Bank Laws

OW0312091893 Beijing XINHUA in English 0856 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—China is stepping up efforts to promulgate urgently needed banking laws in order to reform its centralized financial system.

The Standing Committee of the National People's Congress (NPC), is soliciting opinions from departments concerned on drafts of "the Law on the Central Bank" and "the Banking Law."

It is expected that the draft banking laws, which will soon be submitted to the congress for deliberation, could be put into effect next year.

The draft central bank law stipulates that the central bank, the People's Bank of China (PBC), will be responsible only to the State Council, China's cabinet, in formulating and carrying out independent monetary policies, but free from interference from other financial sectors.

That will be a big step forward from the current practice, in which financial agencies can extract money from the bank when there are budgetary deficits, PBC Vice-Governor Zhu Xiaohua said in a conference here today.

"The Banking Law" will govern the standardization of the four existing specialized banks under the PBC—the Agricultural Bank, the People's Construction Bank, the Bank of China and the Industrial and Commercial Bank.

The four banks will be turned into "true" commercial banks, in line with the principles governing contemporary commercial banks in other parts of the world in terms of organization, management and operations, according to the draft law. The reformed banks are expected to be the backbone of the country's banking system, experts say.

The Banking Law also provides that securities, insurance and investment business must be "strictly" severed from the four banks. "only in this way can the healthy development of China's financial business be guaranteed," said Zhu Xiaohua.

The Banking Law also states that China will lift the responsibility for issuing long-term, low interest loans from the four specialized banks, and place that duty on three new policy-lending banks: The Long-Term Development Bank, the Import and Export Bank and the Agricultural Development Bank.

These new banks will offer loans for key state projects, the exportation of capital goods and the long-term development of agriculture, the vice governor of the PBC explained.

The policy-lending banks will not compete with commercial banks for profits, but will be operated independently, according to the law. Officials from the central bank said specific financial policies are being formulated to govern these banks. The three banks are now being established; at least one will be put into operation within months.

The draft law also states that 3,000 urban cooperatives and tens of thousands of rural credit cooperatives will be transformed into urban and rural cooperative banks, as part of an effort to reduce risks to small financial bodies.

The two bills were drafted by the PBC under the authorization of the NPC standing committee. Those who participated in the drafting include renowned experts in banking, finance and law, as well as officials from the state commission on restructuring the economy.

In drafting the laws, Vice Governor Zhu said, "bold steps have been taken" to incorporate common items of foreign banking procedures with China's emerging market economy. The laws conform with international practices and China's realities, he noted.

Zhu also said that the contents of the bank laws will complement other economic laws to be published in the next few years, including a trade law and foreign trade law.

Official Views Restructuring of Tax System

HK0312001893 Beijing ZHONGGUO XINWEN SHE in English 1436 GMT 2 Dec 93

[Text] Beijing, December 2 (CNS)—The Executive Vice Minister of the State Economic and Trade Commission, Mr. Yang Changji, speaking at a seminar held today said that the restructuring of China's taxation system would be based on the following principles:

The current practice of localities having responsibility for their own finances will be switched to a divided taxation system by setting up a central taxation network and a local taxation network. Proportions will have to be defined for revenue going into the state coffers and into those of the local authorities.

The taxation system will be restructured in accordance with principles involving unified taxation laws, an equitable taxation burden, a simplified taxation system and a

reasonable division of taxation powers. The circulation tax system resulting from commodity transactions will be employed with value added tax as its core. Profits tax for enterprises and personal income tax for individuals will be unified with a standard taxation rate and an expanded tax base.

On monetary reform, Mr. Yang also put forward some main points. First, the People's Bank of China will be a central bank and implement monetary policy under the leadership of the State Council in order to maintain stability of the currency value. The bank will also make use of suitable practices including application of funds reserved in proportion to deposits, the central bank loan rate and an open market in a bid to regulate the money supply. Second, a policy-oriented bank will be set up while commercial bank business will be developed. Such a practice is aimed at separating policy-oriented finance from commercial finance. Third, the foreign exchange administration system will be restructured with the establishment of a foreign exchange market based on the market and featuring a floating exchange rate system and unified standardization. The system will help the renminbi gradually to become a convertible currency.

Mr. Yang noted that the restructuring of China's investment system was aimed at the gradual formation of risk-taking responsibility for investment by legal persons and for bank credit.

Enterprises will make their own decision and take risks on competitive items, according to Mr. Yang. Investment and loan-taking will be left for market regulation while loans required were up to commercial banks to decide. They will have to be responsible for their own profits and losses. Administrative appraisal and approval for competitive items will be gradually lifted and instead a registration for file system for these items will be set up. The state will give guidance to investment in these items in accordance with its industrial policy. As for basic investment items and local infrastructural construction, local governments will have to shoulder responsibility for these. Investment in and loans made for state key construction items will be undertaken by such policy-oriented banks as the state development bank while the enterprise's legal person will be responsible for the entire procedures concerned.

Official on Sale of Government Bonds by Auction

OW0212140993 Beijing XINHUA in English 1327 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—China will gradually sell its treasury bonds by way of auction instead of by administrative means, according to a senior Chinese treasury official here today.

Gao Jian, deputy director of the State Debt Administrative Department at the Ministry of Finance, said that the transition could be realized gradually and through several steps.

He presumed that the transition may start with the one-year bond.

He noted that the selling of government bonds by administrative means will not work as the country is in for a period of transition to a market economy.

China found it difficult in issuing the 30 billion yuan worth of government bonds this year. It had to extend the period of issue and raise interest rate.

Gao said that the central government has decided not to overdraw from banks next year to make up for the fiscal deficits. Instead, it will rely on selling government bonds, he said. This would mean that more government bonds will be issued.

According to the preliminary plan for issuing government bonds, from next year, long-term bonds between eight to ten years and more one-year bonds will be issued. The long-term bonds will be sold mainly to institutional investors such as pension funds and insurance companies while short-term ones will be sold to banks and other financial institutions.

So far, China has only issued three-year and five-year state bonds.

Financial experts here hold that the sales of government bonds depends largely on their liquidity and so they suggest the further development of the secondary markets and the adoption of more flexible trading methods to ensure an easy flow of bonds.

Economic Zone Official on Deng's Works

HK0212054893 Beijing XINHUA Domestic Service in Chinese 2134 GMT 20 Nov 93

[By XINHUA reporter Niu Changzheng (3662 7022 1767)]

[Text] Beijing, 21 Nov (XINHUA)—After Volume 3 of *Selected Works of Deng Xiaoping* was published, this reporter interviewed Hu Ping, director of the State Council's Special Economic Zones Office, and asked him to talk about his feelings in studying Volume 3 of *Selected Works of Deng Xiaoping*.

Hu Ping said: After the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping advocated the practice of opening up in our country and issued a series of important instructions. The theory and practice of opening up to the outside world enriches Marxism and constitutes an important component of Deng Xiaoping's theory on building socialism with Chinese characteristics.

Hu Ping said: While reading Volume 3 of *The Selected Works of Deng Xiaoping* and studying Comrade Xiaoping's theory on building socialism with Chinese characteristics, we also look to the situation of opening up in our country in the 1990's and compare it with that in the 1980's. There are many new conditions and new tendencies. Hu Ping summed up the new tendencies of development in 10 points:

—The goal of opening up is changing from an export-oriented goal to a "neutral" goal of balanced imports and exports so that the advantages of the domestic market can be brought into full play and the advanced

technologies needed in the development of the national economy can be procured. The policy for opening up to the outside world advocated by Comrade Xiaoping brought about great developments in import and export trade in our country. Currently, the gross volume of imports and exports ranks 11th in the world. Under such circumstances, the Chinese economy should be further brought into line with the international market economy in order to achieve the second-step and third-step strategic objectives. Only thus can we modernize our national economy on the basis of "independence and self-reliance" and make contributions as we should to the world economy.

—The pattern of opening up is expanding along the coastline, along the Chang Jiang, and along the borders. Hu Ping said: The strategic pattern of opening up along the coastline, along the Chang Jiang, and along the borders has taken shape. At present, 339 cities throughout the country have been named opening cities, and they have an area of 500,000 sq km and a population of 320 million people. Their total production accounts for over 60 percent of the gross national product. In the 1990's, the strategy of opening up along the coastline, along the Chang Jiang, and along the borders, will continue to expand in area and industries. Currently, foreign-funded enterprises not only cooperate with state-owned enterprises, a new situation has arisen in which foreign-funded enterprises, rural enterprises, and private enterprises have entered into alliance. At the same time, so-called "umbrella-shaped" enterprises have appeared. That is, controlling parent companies and industrial federations.

—Opening to the outside world is developing from one-way advances [shun xiang tui jin 7311 0686 2236 6651] to two-way advances [shuang xiang tui jin 7175 0686 2236 6651]. Through our efforts over the past years, an outwardly oriented economy has developed. In coastal areas, the enterprises with overseas investment exported goods worth \$8.55 billion in the first half of this year, marking an increase of 45 percent and accounting for 29.7 percent of the total volume of exports in the coastal areas and 25 percent of the national export volume. In the first half of this year, additional exports were basically contributed by foreign-funded enterprises. In the 1990's, we still need to make use of international economic strength to promote the modernization of our domestic economy. At the same time, in order to achieve the goal of fully using the two markets and the two types of resources to acquire policy-making ability, and to carry out South-South cooperation, we should further carry out the two-way advance strategy, encourage domestic enterprises with necessary conditions to extend their operation to overseas areas or to join foreign-funded enterprises in breaking new ground abroad, and also encourage them to develop long-needed resource commodities.

—Development zones are not only being set up and developed individually, but also collectively. Originally they were designed to perform one function, but later

they perform multiple functions. Through screening, there are now a total of 470 development zones approved by provincial and municipal governments, and they have a total area of 3,230 sq km. If the development zones set up by the state are added to these local development zones, the number reaches 600. Association is being formed among the development zones, which are carrying out cooperation in the fields of information, planning, designing, investment invitation, management, employment of qualified personnel, and training. Many development zones have become windows for opening up to the outside world and bases for adjusting the production structure, introducing new technology to old enterprises, and raising the economy to the new stage.

- Foreign investment projects are developing from the export-oriented processing industry to a more diverse and integrated industrial structure, and are expanding from simple investment to compound investment, accompanied by various financial arrangements. According to statistics through the end of September, the number of foreign-funded enterprises in our country exceeded 150,000, and the funds involved in the investment agreements amounted to \$192 billion. Among them, 39,000 foreign-funded enterprises had begun operation by the end of 1992, and the volume of their exports in 1992 reached \$17.3 billion. At present, foreign funds being used in the whole country amount to \$49.56 billion. Foreign investment has extended to the basic industries, the primary industry, and some areas of tertiary industry. In the future, foreign investment will not only be used to develop new products and introduce new technologies, but will also be guided to the areas more favorable to the development of our country through the formulation of relevant policies on the basis of multi-faceted and comprehensive analysis.
- Opening up to the outside world is developing and expanding from the coastal areas, the areas along the Chang Jiang, and the border areas to the vast interior areas. The economies in the coastal areas were first developed. At present, the gap between the central-western region of our country and the eastern region is getting wider, and this is a phenomenon worth noting. Therefore, the process of opening in the central-western region should be accelerated. The investment policy should be brought into line with the industrial policy and the local development policies. While giving guidance to foreign investment, apart from the established policies applied to the coastal areas, we should also formulate some policies to encourage investment in the northwest and southwest regions according to the special advantages of those localities. The coastal areas should help the central-western region to seek common development, and corresponding economic methods and various forms of association and cooperation should be adopted according to Comrade Xiaoping's instructions so that a successful path can be opened in the 1990's.
- Bilateral and multilateral international economic cooperation is developing to a higher level and becoming more diverse in forms. For example, the Suzhou Industrial Estate, which is being designed, is a development project jointly launched by the Singapore Government and Jiangsu Province. The first-phase project will develop an area of 8 sq km, and the infrastructural facilities will be financed, constructed, and managed jointly by Singapore corporations and Suzhou City. The Singapore Government will also offer the software for the management of the industrial estate to the Chinese Government. In international economic cooperation, we should broaden our vision, proceed from the actual conditions of our country, comprehensively employ the political, economic, and diplomatic means, and strive to create a new situation favorable to our country's long-term interests and to the long-term opening of our country on the basis of international mutual benefit.
- The relationship with Hong Kong and Macao is developing from trade cooperation to the operation of "one country, two systems." The years 1997 and 1999 are drawing near. Since the issues of sovereignty over Hong Kong and Macao were resolved, the relationship between the mainland and these two regions has been developing according to the general policy of "one country, two systems," and the economic integration of the Hong Kong-Macao market and the mainland market is taking shape. Comrade Xiaoping called for creating "several Hong Kongs" on the mainland, and this idea gave expression to the general tendency to such economic integration. In the relationship with Taiwan, the huge mainland market is attractive to Taiwan businessmen and the scope of investment and cooperation is getting broader. It is expected that a new trend will also appear in mainland-Taiwan economic exchanges and trade in the 1990's.
- Opening up to the outside world is developing in both the economic and cultural fields. Economic-cultural integration is a universal trend in the contemporary world. More and more people agree that culture constitutes part of national strength. In today's information society, many nations and many enterprises are spreading their own cultures through introducing their commodities to the world by means of modern communication tools. To advocate economic-cultural integration, we also give an impetus, dynamism, and charm to the process of opening. At the same time, this also provides a mentality pillar and social binding force for preventing corruption in society, and advances our nation's culture to a new peak.
- The leadership over opening up is expanding from pilot projects in some localities to all areas throughout the country. In the early 1980's, our country's opening was started in pilot schemes in some special economic zones and then advanced in the coastal areas. In the 1990's, opening expanded to the areas along the Chang Jiang and along the land borders, and then further expanded to all parts of the country. The scope of opening also got wider and wider. Foreign investment will be attracted less and less by the favorable policies; instead, the consequent competition and the quality of services will

become the key to success. Therefore, it is particularly necessary to attach importance to improving the investment environment, including both the hard environment and the soft environment. The training of personnel is the fundamental guarantee for the cause of opening. It is necessary to master the two sets of abilities to operate in "two markets" and to use the "two sets of resources." At the same time, we should advocate the sense of the world [shi jie yi shi 0013 3954 1942 6221] and the sense of the century [shi ji yi shi 0013 4764 1942 6221].

Hu Ping finally said: The 21st century is drawing near, and we are facing the key period of fulfilling our great socialist cause. Therefore, we should place the theory and practice of opening up to the outside world in the new period to a higher position. Through the efforts of several generations, we shall certainly be able to achieve the great strategic objective set forth by Comrade Xiaoping.

Article Views Enterprise Property Rights Reform

HK0312123293 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0817 GMT 21 Nov 93

["Special article" by reporter Si Liang (1835 5328): "There Will Be a Breakthrough in Mainland Enterprise Property Rights System Reform"]

[Text] Hong Kong, Nov 21 (ZHONGGUO TONGXUN SHE)—The "Decision on Issues Concerning the Establishment of a Socialist Market Economic Structure" adopted by the Third Plenary Session of the 14th CPC Central Committee gives prominence to the point of "changing the operational mechanism in state-owned enterprises and establishing a modern enterprise system," which is the second part of decision. This shows that reform of the property rights system in state-owned enterprises is of decisive significance in the establishment and development of the mainland framework of the market economy.

The reform in the state-owned enterprises, which were previously called "state-run enterprises," has always been a key and difficult one in the mainland's economic reforms. There are complicated problems and salient contradictions. By reform during the past more than 10 years, the enterprise management system has changed from direct government control to the contract system, the leasing system, and the joint-stock system. However, all reform steps tried to skirt round the difficult issue of property rights reform and did not dare touch the ownership issue. As a result, the state-owned enterprises still cannot be included in the market mechanism and are still operating along the old path of the planned economy. That is to say, the root cause of the problems in the state-owned enterprises has not yet been resolved. However, because the nonpublic-owned economy, or the private enterprises and the joint ventures which have clear private property rights, accounts for only 10 percent of the GNP, the failure to properly solve the property rights issue in the state-owned enterprises, which account for 90 percent of the GNP is, in fact, a major obstacle to developing the market economy.

The large and medium state-owned enterprises constitute the main pillar of the national economy, representing the public-owned economy. The principle of keeping public ownership as the mainstay of the economy has long been taken as a main criterion for the socialist system. Therefore, the reform of the property rights system in the state-owned enterprises was almost regarded as a "forbidden area" in the in-depth economic structural reform. Now, although the decision by the Central Committee Third Plenum stressed that "public ownership is the mainstay" of China's economy, one may find through careful reading that there is flexibility in the proposition with regard to the issue of reforming the property rights in state-owned enterprises and broad room for maneuver is given to the property rights reform in the future. Obvious "breakthroughs" can be found in the following three aspects:

First, the CPC top echelons have basically reached a consensus on property rights system reform, showing that political obstacles to the reform in state-owned enterprises have been basically overcome. This is a major breakthrough in the CPC ideological theory.

Some people reportedly opposed property rights reform in the past because they were worried that it would lead to "privatization," that is, the enterprises would be changed into capitalist enterprises. Now, the "Decision" points out that the ownership of state assets in the enterprises will be separated from the property rights of the enterprises, as legal entities in the establishment of a modern joint-stock enterprises system so that the state-owned enterprises are turned into "corporations" through the mobility and redistribution of their property rights. The enterprises turned into corporations can bring part of their shares for transaction in the market and their shares can thus be partly held by individuals and other institutions. The shares representing the state-owned assets in the enterprises will be controlled by the newly established State Assets Management Commission to guarantee that the public economy's dominating position (it is said that the state does not necessarily hold more than 50 percent of shares within an enterprise). Thus, the forms of existence, organization, and operation of the state-owned enterprises in the market economy will no longer be uniform and rigidly regular as they were before; instead, they will become diverse and flexible. In the market competition, successful enterprises will prosper and those which fail will be eliminated. Enterprises which are running in the red for a long time and whose assets cannot cover their debts will go bankrupt or be merged according to the law; and enterprises which are operating successfully will continue to grow and prosper.

Second, according to the changes and developments of the situation, the CPC top leadership has broken through the visible and invisible restraints imposed on the private economy (such as the stipulation that the private economy cannot exceed 20 to 30 percent). Now, there is no absolute proportions of the various economic elements. Undoubtedly, this is an encouragement to the private economy and the joint venture economy.

Since China began reform and opening, the nonpublic economic elements have held an important position in the national economy, on a par with the public economy in some aspects. This has begun to change the situation wherein the state-owned economy prevails in the national economy as a whole. The "Decision" points out: "Nation-wide, public ownership should be the mainstay in the national economy; but this may vary in different trades and places." It also stresses the need to "adhere to the principle of taking public ownership as the mainstay and effecting simultaneous development of all economic sectors." "The state should create conditions for economic sectors under different kinds of ownership to compete in the market on equal terms and should deal with various types of enterprises without discrimination." Obviously, this leaves much more room than ever before for the development of various types of private enterprises, joint ventures, and foreign-owned enterprises.

Third, because the mainland is building a "socialist" market economy, public ownership will still be kept as the mainstay in the market economy. This is logical. Even though the state-owned enterprises have been turned into corporations, public ownership cannot be replaced with private ownership. This is not "privatization" as some Western economists advocate. However, it is certain that the CPC top leadership has broken through the previous rigid and ossified dogma on the definition of public ownership and has paved the way for the socialist economy.

Along with the development of the market economy, it is believed that the proper combination of the public economy and the private economy will become the inevitable trend in the Chinese mainland's economic development.

Chen Qingtai on Starting Modern Enterprise System

HK0312040293 Beijing ZHONGGUO XINWEN SHE in Chinese 0950 GMT 1 Dec 93

[By reporter Xiao Rui (5618 3843)]

[Text] Beijing, 1 Dec (ZHONGGUO XINWEN SHE)—Chen Qingtai, vice minister of the State Economic and Trade Commission, pointed out the other day: The establishment of a modern enterprise system is an arduous and complicated long-term task. To fulfill this task, we need to be provided with necessary conditions, and bring about progress in a positive and steady manner.

Chen Qingtai indicated that experiments with the system must be well-organized and well-guided. Efforts should be made to guard against formalism, refrain from rushing into mass action, and uphold the principle of putting quality before quantity and avoiding disorder.

Chen Qingtai pointed out: It is the orientation of China's enterprise reform as well as a target pattern for state-owned large and medium-sized enterprises in changing their operational mechanism to set up a modern enterprise system which suits the need of the market economy, has

clear-cut property rights, defines authority and responsibility in explicit terms, separates government functions from enterprise roles, and enjoys a scientific management.

He noted that the State Economic and Trade Commission is currently selecting 100 or so enterprises for experiments with the modern enterprise system. Meanwhile, with a view to creating conditions for state-owned enterprises to move steadily toward the establishment of a modern enterprise system, the commission still places the focus of enterprise reform on the implementation of the "Regulations Concerning the Change of Operational Mechanism of Industrial Enterprises Owned by the Whole People," and the "Regulations on the Supervision of Assets of State-Owned Enterprises" which are to be promulgated soon.

Chen Qingtai indicated: Implementation of the above two sets of regulations and the establishment of a modern enterprise system should be carried out and deepened step by step. The two sets of regulations are "companion pieces," and both have a significant bearing on deepening enterprise reform. Successful implementation of these two sets of regulations serves as the basis for the establishment of a modern enterprise system.

'Experts' Discuss Financial Reform Plan

OW0212042193 Beijing XINHUA in English 0342 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—China has set the stage for financial reform next year, with the reform blueprint approved by the Third Plenum of the 14th Central Committee of the Communist Party of China.

While hailing the advent of a new market-style financial system, some bankers and other financial experts here hold that the establishment of such a system will take a relatively long time and arduous efforts.

At a symposium on the reform of China's monetary system held here yesterday, economist Yang Peixin said that maintaining a stable currency is a must and a precondition for a sustained, fast economic growth and a sound market economy.

High economic growth should not be propelled by excessive money issuing and price hikes. Instead, it should be supported with huge turnovers generated by increased productivity achieved through the deepening of enterprise reform.

He said the central bank should consider reforming the credit control method. The fledgling capital market, including securities markets, has developed so rapidly in recent years that the mandatory credit quotas set by the central bank to control the credit supply can hardly work. This is best illustrated by the swelling investment as a result of excessive fund-raising and inter-bank lending.

In a market economy the central bank should use levers such as controlling interest rates and making secondary lending to exercise macro-control over the economy, Yang noted.

Urs Buchmann, chief representative of Credit Suisse in Beijing, said that at present the People's Bank of China is engaged in making loans for profit. He said the bank should give up this practice so as to fulfill its role as the central bank.

Experts agreed that it is good that the reform plan projects to set up special banks to extend loans according to policy priorities. Without carrying out policy-based lending, the four specialized banks, as the mainstay of China's banking industry, could be transformed into commercial banks.

The transition, however, will surely take a long time and great efforts, since some obstacles can not be removed at once.

Vice-president of the China financial institute Yu Tianyi pointed out that Chinese banks are often plagued by administrative interference from the administration, local governments in particular, which often see the banks as important fund sources.

If governments are still entitled to be responsible for directly organizing and managing economic activities, and will probably continue to do so for a relatively long time to come, there is no way to stop their intervention in banking business.

Moreover, despite the government's efforts, some large and medium-sized state enterprises are still in a very difficult situation. If banks stop making loans to them and let them go bankrupt, as commercial banks should do, the banks would either come under criticism from the governments concerned or, worse still, forfeit loans already granted to these enterprises.

Yu suggested that the specialized banks adopt the shareholding system, with the bulk of the shares held by the state. This would reduce government interference while ensuring the self-management right of the banks.

Official Outlines Restructuring Exchange Control

HK0312121893 Beijing ZHONGGUO XINWEN SHE in Chinese 1219 GMT 21 Nov 93

["Weekly Commentary" by staff reporter Zhu Daqiang (2612 1129 1730): "Favorable Opportunity Emerges for China's Exchange Control Restructuring"]

[Text] Beijing, 21 Nov (ZHONGGUO XINWEN SHE)—The primary substance of China's foreign exchange control restructuring covers reform of the exchange rate system and of renminbi foreign exchange coupons, as well as the establishment of national foreign exchange regulatory markets that will be operated openly.

Owing to the fact that initial achievements have been attained by the state in the macroscopic regulation and control of foreign exchange, there is a favorable opportunity for exchange control restructuring. As has been disclosed, the competent department is studying and drawing up a reform plan, and it is anticipated that breakthrough progress will be made in the next two years.

Along with the growth of China's economic strength and the development of the commodity economy, the original

functions of foreign exchange coupons basically have been lost. There are a number of drawbacks in the coexistence of the current state quotations of renminbi against the U.S. dollar and the regulatory quotations, which have added difficulties to the state's regulation and control of foreign exchange markets. Therefore, the direction of foreign exchange restructuring is to eliminate the gap between these two exchange rates and ultimately to achieve the goal of making the renminbi freely convertible into foreign currencies.

Yin Jieyan, director of the State Administration of Exchange Control, pointed out: Making the renminbi freely convertible is the reform orientation of this currency, as a restrictively convertible renminbi is detrimental to reform and opening up.

Yin added: Making the renminbi freely convertible is a complicated system engineering project that requires some specific basic conditions, such as the vigorous development of foreign trade, relatively more developed domestic market mechanisms, sensible exchange rate levels, a certain amount of foreign exchange reserves, nationwide unified foreign exchange markets, relatively more perfect laws and regulations, and so on. This is a long-term and gradual process. Fundamentally speaking, it hinges on our comprehensive national strength and the competitive capacity of our products in the international market. China will create some positive conditions to push forward this process.

In recent years, a series of problems has emerged in the area of exchange control. In particular, alongside rapid economic growth and the supernormal placement of currency, the contradictions between supply and demand for foreign exchange were acute, foreign exchange regulatory rates soared sharply, and the exchange rate of the renminbi plunged substantially.

Thanks to the timely macroeconomic regulation and control measures by the state, the renminbi exchange rate began to pick up vigorously in July, and generally has stabilized at about 8.8 yuan to 1 U.S. dollar ever since. People in economic circles have predicted that under normal circumstances, it can be stabilized at 9 yuan or less to 1 U.S. dollar before the end of this year.

Economists here are of the opinion that conditions advantageous to a stable exchange rate at present are: First, the state has strictly controlled the gates of credit limits and money placement so that investment in foreign exchange markets for the purpose of speculation and profit-earning has been forced to withdraw and so that demands for foreign exchange have eased accordingly. Second, the state has re-established the maximum restrictive quotations for foreign exchange markets. Third, the People's Bank of China has advanced a large amount of funds to support enterprises which should be compensated for the foreign exchange they have handed over to the central authorities, thus ensuring the possession of foreign exchange by the central authorities and augmenting the economic strength of the state so that it is able to exercise macroeconomic regulation and control over the exchange markets. Fourth,

through the stipulation whereby productive enterprises have to hand over 20 percent of the spot exchange they receive when selling their products inside the country, we have checked the practice of privately settling accounts in foreign exchange among domestic enterprises without the approval of relevant authorities, which could not be prohibited for a long time.

Internal Trade Ministry Holds Fast-Food Forum

OW0312030993 Beijing XINHUA in English 0229 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—Chinese fast-food companies are competing for market shares by adopting Western-style management and operations.

Managers from scores of fast-food companies are attending a meeting on the development of the Chinese fast-food industry held by the Ministry of Internal Trade here today. Also attending the meeting are food industry experts and officials from ministries and commissions concerned.

The Chinese fast-food industry began to take shape following the introduction of Western-style fast-food restaurants.

Nowadays many types of Chinese food, such as dumplings and steamed stuffed buns are produced by machines and are on sale in chains of fast-food restaurants in most cities.

While Western-style restaurants took business away from the traditional Chinese restaurants, to some extent, adoption of Western operational know-how has spurred the growth of the Chinese food industry, experts told the meeting.

There are more than 30 fast-food companies in the country, 50 percent more than at the beginning of this year. The business volume in 1992 reached 20 billion yuan worth, and the figure for this year is expected to be up 20 percent, according to statistics released by the Ministry of Internal Trade.

Experts said the annual turnover in the fast-food business could reach 50 billion yuan in a few years.

In particular, the growing mobile population in large and medium-sized cities should contribute to the development of the fast-food industry, according to the experts.

They cited the "fast-food factory" run by the Wuhan Iron and Steel Complex, one of the country's biggest enterprises, as an example of the future trend. It has provided the 150,000 employees of the complex with fast and half-finished food since the "factory" was founded in 1988, saving them one and half hours each in the kitchen a day.

The "factory" is planning to expand its business across the country.

Some traditional Chinese delicacies like the "goubuli" of Tianjin, a kind of steamed stuffed bun, are not only selling well in China, but are also exported to foreign countries like Japan, Singapore and the Republic of Korea.

In the three-day meeting the experts will also discuss other questions relating to the fast-food industry, such as the different characteristics of Chinese fast food and Western-style fast food and the place of the industry in a rapidly modernizing society.

Foreign Investment in Retail Business Restricted

HK0212071093 Hong Kong HSIANG KANG SHANG PAO in Chinese 2 Dec 93

[Report by staff reporter: "Foreign Capital's Involvement in Retail Business Will Be Strictly Restricted, and Beijing Urges Localities Not To Expand Such Involvement Without Authorization"]

[Text] The state department concerned recently stressed: The state has allowed some coastal cities to introduce foreign investment in retail business on a trial basis, and the work in this regard must be strictly limited to the pilot schemes in terms of locality and number. In the experimental period, retail enterprises with foreign investment should adhere to the principle of producing more exports than imports. In the initial stage, the state only allowed a small number of cities, such as Shanghai and Guangzhou, to carry out such pilot schemes. However, it was reported that many other coastal provinces and cities recently also asked the state to authorize them to expand the scale of foreign investment and cooperation in the field of retail business. Therefore, the state department concerned issued a document requiring all localities to strictly act within the limits of the pilot schemes. Such investment projects must be reported to the State Council and the domestic and foreign trade departments for approval. The foreign investment projects in retail business approved by local governments without authorization should be checked by the industrial and commercial administration and customs.

At the same time, it is also stipulated that foreign-funded enterprises engaged in retail business should guarantee that their exports are greater than their imports.

According to people in this trade, the current state regulations stipulate that when joint ventures launched by foreign investors and their Chinese partners engage in retail business, the imported goods they sell cannot exceed 15 percent of their total business turnover. On the other hand, such foreign-funded enterprises mainly serve domestic consumers and their income is mainly renminbi, so they also need to balance their foreign exchange payments by keeping an appropriate ratio between their imports and exports.

Reportedly, the existing foreign-funded retail businesses in China are also exporting Chinese products while selling goods to domestic consumers in order to ensure the fulfillment of the export quotas and their foreign exchange income and to reduce the risks caused by changes in exchange rates. Yaohan, a Japanese company, and a large department store in Shanghai jointly set up a retail business, and the volume of its exports reaches nearly 100 million yuan a year.

'New Characteristics' of Foreign Investment Viewed

HK0212152593 Beijing ZHONGGUO XINWEN SHE in English 1427 GMT 2 Dec 93

[Text] Beijing, December 2 (CNS)—Executive Vice Minister of the State Economic and Trade Commission, Mr. Yang Changji, said here this morning that with China's opening to the outside world becoming increasingly satisfactory with its development both expanding and deepening, foreign investment in China had seven new characteristics.

First, sources of investment had enlarged with the number of foreign countries and regions investing in China increasing to more than 100. Apart from investment from Hong Kong, Taiwan, USA, Japan and Singapore, the value of investment in the country by European countries including Germany, Britain and France had been increasing.

Second, the range of areas receiving investment by foreign businessmen has been continuously widening with foreign investment rapidly spreading from the coastal areas to the inland provinces and cities in the country. Since last year the growth of foreign investment in the inland areas has exceeded that in the coastal areas and the ratio of such investment in the inland areas to the country's total has risen from about six percent to 20 percent.

Third, the scale of items of such investment has been constantly enlarging with the contracted foreign capital for each item on average being U.S.\$1.19 million last year while that in the first nine months of this year was more than U.S.\$1.32 million.

Fourth, many well-known international transnational companies have been turning their attention to China and many such big companies have worked out their medium- and long-term investment plans in China.

Fifth, the structure of such investment has further improved with a batch of large-sized items covering infrastructural facilities, transport, energy, raw and finished materials industry and technologically-intensive items being set up in the country.

Sixth, the field for such investment have been greatly exploited, especially in tertiary industry which has been greatly developed.

Seventh, the methods for such investment have seen new development with over 20 Sino-foreign jointly-funded enterprises in the form of shareholding companies being approved and more than 20 companies engaged in B share trading being listed in the Shenzhen and Shanghai securities exchanges.

According to Mr. Yang, foreign investment in China this year has shown a trend of rapid growth with such investment items in the first nine months of the year totalling 62,789 with contracted foreign capital of U.S.\$83.1 billion and actual utilization of capital U.S.\$15 billion, respective increases of 125 percent, 171 percent and 158 percent over the same period last year.

Foreign Trade, Investment Continue To Rise

HK0212154193 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 27 Nov 93 p 2

[Report by Wang Lu [3769 7216]: "China Makes Gratifying Progress in Foreign Economic Cooperation"]

[Text] 26 Nov (RENMIN RIBAO)—China has speeded up its opening to the outside world. In the first three quarters of this year, economic and technical cooperation with foreign countries developed vigorously.

According to an announcement by the State Statistics Bureau a few days ago, China's total volume of imports and exports in the first three quarters reached \$129 billion, 17.3 percent up on the same period last year, of which the import volume was \$67.75 billion, an increase of 29 percent. Investments by overseas manufacturers increased rapidly. From January to September, 62,000 foreign-invested enterprises across the country were approved and the volume of foreign capital involved in the relevant agreements reached \$81.64 billion, respectively 1.2 and 1.7 times more than the same period last year. The average foreign investment in each project was \$1.315 million. The speed of the arrival of foreign capital apparently increased.

China has strengthened trade with regions in Asia, Africa, Latin America, and Western Europe and has taken another step forward on the road to pluralism in trade. From January to September, the volume of China's exports and imports to more than 60 nontraditional trade countries and regions doubled and redoubled. The number of countries and regions to which China's export exceeded \$100 million reached 45, nine more than the same period last year. Sources of foreign investment have also tended to become pluralistic. This year, 117 countries and regions have invested in China, which exceeds the total number of countries and regions from which businessmen signed agreements with China in 1992. In terms of the number of agreements signed with countries and regions from which investment came to newly registered foreign-invested enterprises this year, Hong Kong continues to rank first and is followed by Taiwan and the United States.

The field of foreign investment has widened considerably and its structure has improved. The investment focus is shifting from the textile processing industry, chemical industry, and mechanical and electronics industries to technically advanced enterprises, basic industries such as communications and transportation, and tertiary industry, which uses high technology and which China regards as a key industry for development. The real estate industry remains the first target of overseas investors, but the focus has shifted from the purchase of housing estates under construction to new spheres of urban construction, urban transformation, and the development of business districts, which have a bearing on the living standard of the people.

With the improvement of the investment environment in China, and the marked improvement in bottleneck industries, such as communications, energy, and telecommunications in the second half of the year in particular, the business of foreign-invested enterprises is generally better than last year. From January to September, exports by

foreign-invested enterprises amounted to \$16.77 billion, exceeding the net increase in national export volume by 41.8 percent and accounting for 26.4 percent of national exports. According to an analysis by specialists concerned, China's economic exchanges with foreign countries have made gratifying progress. However, in foreign trade and the introduction of foreign capital, the issues of insufficient export strength and the arrival rate of capital for foreign-invested enterprises remains on the low side. Experts forecast that China's total export volume this year will exceed \$90 billion, the total import volume will exceed \$100 billion, imports will exceed export, and there will be a deficit for the first time since 1989. The number of foreign-invested projects will exceed 100,000, and the amount of contracted foreign capital involved will amount to \$140 billion.

Transport Sector Seeks Foreign Investors

OW0212164193 Beijing XINHUA in English 1532 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—China will, for the first time, allow foreign investors to participate in building airports and other civil aviation facilities, the State Planning Commission has announced.

The plan, yet to be ratified by the State Council, China's highest governing body, is expected to be implemented soon, possibly early next year, the commission told XINHUA in an exclusive interview.

Included in a state transportation development blueprint for the 1990s, the move is another bold action that China has taken to draw on foreign investment into the transport sector, a key but weak link in the country's national economy.

Premier Li Peng told foreign visitors recently that China will adopt more open and preferential policies to attract foreigners to invest in building transport facilities and raw materials projects.

China has given and will continue to give top priority to the use of foreign funds in the construction of such projects as highways, railways, ports and airports, officials of the state planning commission have pledged.

While welcoming overseas investment in the civil aviation area, China will continue to encourage foreign investors to run joint ventures or solely-owned ventures in the building of railways, highways and ports, according to the blueprint.

More flexible measures, including the internationally-practised BOT (build-operate-transfer) form, will be used to lure foreign funds. Foreign investors will be allowed to develop lands around the highways, ports, railways and airports they build and run various joint ventures.

The opening of railway construction to foreign investors is yet another bold endeavor. Railways, the artery that carries 60 percent of the country's total cargo transport, used to be off-limits to foreign businessmen because of national interests.

It was not until last year that China allowed one local railway—the 250-km Jinhua-Wenzhou railroad in east China's Zhejiang Province—to be jointly funded by foreigners.

China plans to build 6,600-km of new rail lines, electrify 5,600 km and double-track 4,100 km during the current eighth five-year-plan period (1991-1995). More are to be built in the last half of the 1990s.

China hopes that shortfalls in funds will be covered by overseas investment.

While striving for direct foreign investment in the transport sector, the State Planning Commission said China will try to make use of more loans provided by the World Bank and foreign governments. China has been using loans facilitated by the World Bank, as well as by the governments of Japan and Germany, in several transport projects.

According to the railways ministry, China has reached an initial agreement with the World Bank on the use of the seventh railway construction loan, which involves 550 million U.S. dollars.

China is also expected to get a loan of 200 million dollars from the Asian Development Bank (ADB) for railway construction in 1994.

China started using World Bank loans in building highways in 1985. To date, agreements totalling 1.14 billion dollars have been signed between the two sides.

Besides airports, railways and highways, China will continue to attract foreign funds in the construction of ports.

Despite remarkable improvements over the past decades, transport has been a major bottleneck in China's fast economic growth, with infrastructure lagging far behind the growing size of both passenger and cargo traffic.

Shanghai To Set Up Foreign Exchange Centre

HK0312002093 Beijing ZHONGGUO XINWEN SHE in English 1437 GMT 2 Dec 93

[Text] Shanghai, December 2 (CNS)—A national foreign exchange centre will be set up here at the beginning of next year and the municipality will see six important financial centres opened by 1995 covering markets for short-term loans, note discounting, foreign exchange swap, securities transactions, gold and silver ornaments and an electronic network for finance.

The short-term loan market is aimed at smashing the regional blockade. Companies coming from other provinces and cities outside the municipality to raise regional loans can make use of this market, thereby turning Shanghai into a centre for the distribution of capital.

Notes available nationwide will be allowed to be discounted in Shanghai's discount market. Enterprises will first of all be encouraged to use notes including commercial money orders and bank drafts. Shanghai's notes will be allowed to be honoured outside the municipality. The

discount market is aimed at making discount procedures simple and enabling enterprises to capitalize on notes as a means of raising loans.

A gold market can develop with the start of an ornaments market where prices are open to competition. People will be allowed to conduct free trading there with transactions being carried out in accordance with the market quoted price.

An electronic network is aimed at giving greater convenience for financial activities. A credit card service will first of all be available throughout the municipality with the formation of the electronic network system and will thereafter expand across the country. The clearing procedures required of this network system will be developed. Adoption of further electronic technology for the handling of notes will be made in a bid to make the network a national centre.

Private Sector 'Important Force' in Autonomous Regions

OW0312031093 Beijing XINHUA in English 0239 GMT 3 Dec 93

[Text] Hohhot, December 3 (XINHUA)—The private economy in China's five autonomous regions inhabited by minority nationalities has become an important force leading to local economic prosperity and constantly improving living standards.

The private sector is gaining development momentum in the Inner Mongolia, Ningxia Hui, Xinjiang Uygur, Tibet and Guangxi Zhuang Autonomous Regions, according to a national meeting for directors of regional administrations of industry and commerce recently held in this capital city of north China's Inner Mongolia. By the end of September this year the five regions had nearly one million self-employed people and more than 6,000 private enterprises which employ 1.5 million people. The enterprises have a total registered capital of seven billion yuan (about 1.2 billion U.S. dollars).

These private enterprises and workers, supported by preferential policies from the government, have made a considerable contribution to the development of local economies.

Last year, self-employed people in Inner Mongolia and Xinjiang turned over to the state 270 million yuan and 260 million yuan, respectively, in taxes, making up 8.4 percent and 8.9 percent of their respective regions' total tax income from industry and commerce that year.

The meeting attributed this economic achievement to governmental preferential treatment toward the private economy in taxation, management, land leasing and loans, as well as to the co-operation among local economic, public health and security departments.

By working with universities and research institutes, chambers of commerce and bureaus of industry have held various types of technical training courses for self-employed people.

In Xinjiang most private workers are employed in the service industry, while an increasing number of private enterprises are turning to construction and transport.

In Inner Mongolia the private economy even covers such important and advanced sectors as education, electronics, computers and bio-engineering.

In the first nine months of this year private workers and enterprises in Inner Mongolia enjoyed a total turnover of 1.16 billion yuan (about 200 million U.S. dollars), making 510 million yuan (about 88 million U.S. dollars) in output value—45 percent and 60 percent rise respectively over in the same period last year.

The rapid development of the private economy in the five autonomous regions has also boosted local markets.

So far, some 107 free markets have been established in Tibet, with a total annual transaction volume of 780 million yuan (about 134 million U.S. dollars), about 38 percent of the total retail volume of social commodities of the region.

The total transaction volume in Inner Mongolia's 1,309 free markets in the January-June period this year reached 1.72 billion yuan (about 300 million U.S. dollars), up 56.4 percent from the same period of last year.

The economic progress and reform drive in the regions have made local people more open-minded and business-conscious. They are no longer shy about doing business.

As a result, more and more private workers and enterprises are seeking ties with their counterparts both at home and abroad. A number of co-operative and joint ventures have been set up in these regions.

Jingpo People 'Swept Up' by Market Economy

OW0212041993 Beijing XINHUA in English 0206 GMT 2 Dec 93

[Text] Kunming, December 2 (XINHUA)—The tidal wave of market economy that has surged over the country has swept up the Jingpo people too.

Among the 55 minority nationalities of China, the Jingpos have a comparatively small population of about 100,000. They mainly live in the remote border areas of southwest China's Yunnan Province.

Traditionally, the Jingpos despise business, thinking it a skill inappropriate for any person of honor to pursue.

If someone truly had to sell something for money, a condition most Jingpos would try their best to avoid, the seller would just put the goods, a hen, for example, on the roadside and hide behind a tree.

Only after a buyer appeared, left an amount of money he thought appropriate and depart would the seller leave his hiding place.

But the time-honored tradition was challenged when the Jingpo people witnessed their neighbors and friends of other nationalities getting wealthy through hard work and taking advantage of the despised business skill.

Sun Leshuang, a young man bold and clever enough to be dissatisfied with the status quo, took the lead by learning trading skills in a nearby city.

The disapproval of his elders was to no avail; the young fellow invested 250,000 yuan last year in building a feed processing plant and bred fish in a backyard pond.

Now when the local people walk past the elegantly decorated house of Sun Leshuang they are all filled with respect and appreciation, instead of contempt.

Today in the villages of the Jingpo people, not only do men enjoy the freedom to do business, capable women traders are also respected.

Sun Murui, 28, has opened a little grocery shop in her village offering more than 100 daily necessities as well as warm and convenient service.

From the tremendous changes for the better in their lives, Jingpo people have come to deeply understand that no type of work is degrading and that common sense and hard work will bring a worthwhile return, thus is forever worth the effort.

Joint Offshore Gas Field Development Begins

OW0112151793 Beijing XINHUA in English 1431 GMT 1 Dec 93

[Text] Guangzhou, December 1 (XINHUA)—A fleet jointly managed by the Saipem S.P.A. of Italy and EMC Ltd. sailed from the North Sea in Europe into the South China Sea today, marking the beginning of the development of China's largest offshore natural gas field.

The Ya 13-1 gas field, located some 90 km south of Hainan Island, covers an area of 50 sq km and has reserves of about 100 billion cubic meters. It was discovered by a Sino-U.S. joint prospecting team.

According to the exploration plan, the field will be put into operation in 1996 and begin to send gas to Hong Kong and Hainan Province in that year.

The first-phase construction will include a top platform, a central treatment platform and two pipelines along the ocean bed.

The pipeline project will cost about half of the total investment.

The pipe laying project has been contracted out to a joint corporation formed by Saipem S.P.A. of Italy and EMC Ltd., which will do business in China for the time.

The first-phase project of 707 km of pipe will be completed before June next year.

'National Telephone Conference' Held on Irrigation

HK0212100293 Xian Shaanxi People's Radio Network in Mandarin 0500 GMT 30 Nov 93

[Text] Yesterday afternoon, the State Council held a national telephone conference on irrigation construction for the coming spring. The conference demanded that a

good job should be done in irrigation construction. At the conference, State Councilor Chen Junsheng stressed the need to carry out irrigation construction as the central task in rural areas this winter and next spring. On behalf of Shaanxi Province, Vice Governor Wang Shuanji explained to the entire country Shaanxi's experience in carrying out farmland irrigation capital construction projects during winter.

Immediately before this national telephone conference, the province had held a telephone conference to arrange farmland irrigation capital construction projects. In his speech, Vice Governor Wang Shuanji stressed the following four points: First, farmland irrigation capital construction must be carried out resolutely and unswervingly each year, and it must be treated as part of basic facilities construction and basic industrial construction; second, good management must be exercised over construction, high standards must be followed, and economic results must be improved; third, irrigation reform must be carried out well, an irrigation operational mechanism must be established in line with the socialist market economic principle, and an economical irrigation development method with a fine cycle must be formed; fourth, all localities are required to take advantage of the slack winter season for an overall check on winter irrigation construction projects so that irrigation construction will develop in a sustained and steady manner.

LIAOWANG Commentator on Agriculture Reform

HK3011053093 Beijing LIAOWANG in Chinese No 45, 8 Nov 93 p 3

["LIAOWANG Forum" by staff commentator: "Agriculture Will Take Off When Protection Measures Are Taken—Second Discussion on the Reform and Development of Agriculture"; see item entitled "Commentator Urges More 'Attention' to Agriculture," published in the Economic & Agricultural section of the 22 November China DAILY REPORT, pages 45-47]

[Text] The great process of establishing the socialist market economy has opened up broad, magnificent prospects for agricultural development and, at the same time, given an unprecedented challenge to agriculture. However, when the vast number of rural cadres lead the broad masses of peasants in plunging into the market to seek ways to get rich quickly, they suddenly find that the market is not the peaceful farm which they are used to, but an ocean where raging tides of competition are surging. Also, the peasants and agriculture in general are in a very weak position in this competition. Economists have already given loud warnings: Under the market economy, the agricultural society, which provides high social benefits [she hui xiao yi 4357 2585 2400 4135] but low economic returns, is a weak sector in competition. Its role in the national economy is very important, but it is inferior in market competition.

This problem has been brought to more and more people's attention. The socialist market economy is to regulate the allocation of production elements through the market

mechanism under the state's macroeconomic regulation and control, rather than through planning alone as we did in the past. The so-called market mechanism, mainly governed by the law of value, is to make sure, through the price lever and competition, that resources are allocated to production sectors and links that promise the best economic returns. Thus, all the production elements of agriculture will easily and spontaneously go to nonagricultural sectors with higher "relative economic returns." That is the greatest "crisis" agriculture is facing at the moment.

1. The most basic means of production for agriculture—land resources—has been increasingly encroached upon by nonagricultural sectors. This is because the returns of agricultural land are much lower than those offered by industry and other economic sectors. Growing grain or cotton on one mu of farmland can produce a net income ranging from several hundred yuan to less than 100 yuan. But once this unit area of farmland is used for industrial production, its value will be a hundred times higher. Statistics show that in 1992 farmland area decreased much faster than in previous years. Development zone projects alone have taken away a large area of farmland, mostly high-yield farmland around cities and towns.

Because of the great disparity in economic returns, the grain-growing area has been constantly decreasing, and some good farmland has even been left idle. China's population accounts for 22 percent of the world's total, whereas its farmland area accounts for only 7 percent of the total. It is an amazing achievement to feed such a large population with such a limited area of farmland and still manage to keep living standards improving. However, as China's population is constantly increasing, the consequence will be disastrous if farmland area keeps diminishing on the current scale!

2. A large number of very good young laborers have left rural areas. China is a country rich in labor. So it is a good thing to have some peasants engaging in nonagricultural production in rural areas or in cities and towns. However, the current migration is very much a blind development. Most of the migrants are young and vigorous, better educated, equipped with some skills, or business-minded, while those who remain in rural areas are old and weak people, women, and children. This portion of the population is called Army Unit No. "3861" in jest [38 means 8 March, the International Women's Day, which is a code representing women; while 61 means 1 June, the Children's Day, which is a code representing children]. This phenomenon has had a very unfavorable influence on the improvement of agricultural productivity and the modernization of rural areas.

3. Funds are draining away. Investments in agriculture are reducing or simply absent, while rural funds keep flowing to nonagricultural sectors.

In the past few years, input into agriculture has been insufficient. Funds that should have been invested in agriculture have been draining away from agriculture. Peasant households, attracted by higher relative returns, have let their funds increasingly flow to nonagricultural

sectors. Of the state's investment in capital construction, the absolute value of investment in agriculture has increased over the past few years (however, when price hikes are factored in, the proportion of agricultural investments has actually decreased), but by 1991 the proportion of investments in agriculture had not yet increased to the level registered in the Sixth Five-Year Plan period.

Circulating funds of rural areas are also flowing toward cities and the industrial sector, and the amount of funds drawn from rural areas by various fund-raising means and then invested in nonagricultural sectors has kept increasing. The flow of funds in this fashion is very unfavorable to agricultural development.

As viewed from the above three aspects, the massive flow of the three elements of agricultural production merits great attention indeed. This is also a common experience of both developed and developing countries under the market economy. In the transition to the socialist market economy, agriculture is facing a dual risk, from nature and the market, and it has to compete with others on an unequal footing. For this reason, the government and departments concerned must give agriculture more support, and set store by the protection of agriculture, especially grain production. As far as this is concerned, one can find no exception among all countries. If the government and leading departments concerned, for whatever reason, do not provide necessary protection and support to agriculture in the development of a rural market economy, or do not try really hard in this regard, the only consequence will be that agriculture will be shaken as the foundation of the economy, and the steady development of agriculture will be rendered empty talk.

At present, the party and the state have already taken or are taking some important measures to support and protect agriculture. For example, measures are being adopted to decontrol the farm product market step by step, to establish an open urban and rural market system operating in an orderly manner on the basis of fair competition, and to develop a great circulation structure with a view to ensuring that agriculture can compete with other production sectors on an equal footing. Both the central and local authorities are taking various measures to increase investment in agriculture as well as industries serving agriculture, and to encourage collective-run economic entities and peasant households to increase investments. Major grain- and cotton-producing areas are encouraged to develop a number of high-quality, high-yield, and high-return agricultural showcases, and the state has also decided to introduce a grain protective price system and to gradually expand the scope of price protection, introducing insurance service for agriculture, putting the agricultural risk compensation mechanism on a sound basis, and perfecting the system of laws for the protection of agriculture.

Of course, our country is still not rich, therefore, it cannot possibly allocate more financial resources to subsidize agriculture like developed countries. However, it is indeed worthy to offer agriculture as much preference as possible

with the limited financial resources available. The introduction of all the above-mentioned measures will certainly reinforce agriculture's position in market competition. Agriculture will take off when effective and strong measures are taken to support and protect it. May this day come very soon.

Afforestation Method for Loess Plateau Developed
OW0212104893 Beijing XINHUA in English 1009 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—Chinese scientists are using compound materials to consolidate yellow earth and retain water in top soil to grow trees in the barren wasteland of northern China.

The method has been used to plant new forests on the dry and highly eroded loess area that stretches across north China.

Top soil on the Loess Plateau, which covers several northern provinces, is composed of loose, fine yellow earth powder. Water drains quickly through it and almost no moisture remains in the top soil.

Moisture in top soil drops to a low of 4.5 percent during the dry season, a period when trees are supposed to be

growing. By using the new method, moisture in top soil has been raised to nine percent, adequate for trees to grow.

Scientists have set up three experimental forestation bases in North China, at which a high-molecule compound liquid is sprayed on the surface of soil. The glue-like liquid forms a water-proof layer on the surface of ground, so that rainfall can be diverted and pooled for irrigation. The method provides adequate water for tree growth.

Wang Binduan, a professor at the Beijing Forestry University, lead a group of scientists to carry out the experiment.

Wang said that his method presents hope for reclaiming eroded dry lands in North China. They have improved the survival rate of young trees in the area to 84-98 percent, a steep rise over the conventional 20 percent. The method is cheap and easy to use, Wang said.

Local people have planted over 10,000 ha of trees by using the new method. Most seriously eroded areas along the Yellow River in North China will also adopt the method.

Wang said that his group is experimenting with more kinds of trees in various landscapes. He said that it will take a minimum of ten years to form a proper irrigation plan for various types of trees.

East Region

Anhui Reaps 'Record' Harvests

OW0212153193 Beijing XINHUA in English 1228 GMT 2 Dec 93

[Text] Hefei, December 2 (XINHUA)—Anhui Province in east China, one of China's major agricultural provinces, gathered in a harvest this year.

Grain output reached 25.40 million tons and the output of oil-bearing crops was 1.56 million tons, both record highs.

Cotton output was also a record 260,000 tons.

The income of farmers per capita also increased. This year, the income per capita in rural areas is 650 yuan, 76 yuan higher than last year.

In the last few years, the grain planting area in Anhui Province has declined.

Earlier this year, the province opened its grain market and grain prices have risen due to competition.

Statistics show that the crop-planting area in the province rose to 6 million hectares.

ANHUI RIBAO To Expand

OW0212092393 Hefei ANHUI RIBAO in Chinese 2 Nov 93 p 1

[Advertisement to the right of masthead]

[Text] Next year, you will get to read a brand-new ANHUI RIBAO (to be expanded from four to eight pages).

Pages one through four will mainly feature news of current interest.

Page one: Major news

Page two: Economic news

Page three: Political, legal, scientific, educational, cultural, health, and social news

Page four: International, domestic, and sports news.

Pages five through eight will cater to readers' various material and spiritual needs.

A multitude of special columns, special pages, and supplements will be introduced. "Special Issue on Economic Affairs," "Special Issue on Lifestyles," and "Weekend Special Issue" will be published every Tuesday, Thursday, and Saturday. This will give rise to the distinctive feature of having a newspaper and a publication within a newspaper.

Delivery code: 25-1.

Fujian Official on Improving Infrastructure

OW0212090093 Beijing XINHUA in English 0552 GMT 2 Dec 93

[Text] Xiamen, December 2 (XINHUA)—Southeast China's Fujian, one of the earliest provinces to open to the outside world, will further improve its infrastructure to adapt to the growing local export-led economy.

Deputy Governor Jiang Jiakun, who is in charge of foreign trade and economic relations, disclosed the move at the second China export commodity fair for foreign-funded enterprises here today.

He said that although the province has allocated a great amount of money to infrastructure construction since it opened up 15 years ago, the present facilities cannot keep up with the demands of foreign investors.

In the next few years, the deputy governor said, the province will do its best to raise funds for improving telecommunications, transportation, energy, and other basic facilities, which are essential for an economic uplift.

Railway construction will focus on coastal lines, including the sections from Wenzhou in East China's Zhejiang Province to Fuzhou, capital of Fujian, and from Xiamen in the south of the province to Chaozhou and Shantou in Guangdong Province. Meanwhile, electrification of the railway line between Yingtan in Jiangxi Province and Xiamen, which is expected to be completed soon, will greatly enhance the local transportation capacity.

More highways and expressways are to be constructed. In the near future an expressway along the coast will link the provincial capital with dozens of development zones using foreign investment in the southern Fujian delta.

Power shortages are expected to be alleviated in the next three years. The first generating unit, with an installed capacity of 200,000 kw, at the shuikou power station, China's second largest hydro-electric power station, has started to operate. Another 1.2-million-kw set will go on stream soon. In addition, a thermal power station with an installed capacity of 1.2 million kw is being constructed.

New airports will be built in the cities of Changde, Jinjiang and Sanming, and airports in Fuzhou and Xiamen will be expanded. Eventually an airline network will cover the whole province.

As for telecommunications, the province will add 1.3 million telephones this year, among which one million will be program-controlled. In the coming years the number of telephones in Fujian will increase by 500,000 annually.

Meanwhile, the province also plans to greatly improve its sea cargo handling capacity by building several key development areas and ports.

Zhang said he welcomes overseas investment in basic facilities and added that a series of favorable policies have been worked out to encourage such investment.

It is reported that businessmen from Hong Kong, Taiwan, Singapore, Japan, the United States and Indonesia have expressed interest in investing in Fujian's infrastructure sector.

Fujian 'To Advertise' for Foreign Investment*OW0212152593 Beijing XINHUA in English 1343 GMT 2 Dec 93*

[Text] Xiamen, December 2 (XINHUA)—East China's Fujian Province will open more channels to advertise for overseas investment, a function now monopolized by the government.

Zhang Jiakun, vice-governor of the province, said this to investors gathered in Xiamen for the second trade fair of export commodities by foreign-funded enterprises in China, running from November 28 to December 4.

Fujian, which is the nearest mainland province from Taiwan and not far from Hong Kong and Macao, was one of the earliest provinces in China to carry out reform and open policies.

At present, there are more than 12,000 foreign-funded enterprises in the province.

Over the past 15 years, the provincial government has actively engaged in foreign investment promotion.

A foreign investment and trade fair is held in Xiamen on September 8 every year. It has become a major occasion for Fujian and other provinces and regions in China to attract foreign funds.

Zhang said that the existing method of foreign investment promotion has fallen far behind the requirements of the province's rapidly developing export-oriented economy and rapidly increasing foreign investment.

According to Zhang, in the future such promotions will be held by enterprises, both Chinese and foreign-funded, in various industrial sectors.

In fact, several such promotions have already been held by overseas investors and have achieved good results, Zhang said.

In addition, the scale of promotion will be expanded to investment in basic construction, including express highways, airports, ports and railways, and high-efficiency agriculture.

As for the venues for overseas promotions, they will be held not only in Hong Kong but also in Singapore, the United States, Japan and the Republic of Korea.

In addition, foreign investment promotions will be held on such occasions as commemorative activities.

Zhang also said that the government is working on policies concerning treatment of overseas investors on an equal footing with Chinese citizens so as to promote fair competition.

At present, overseas investors enjoy preferential treatment in most parts of China.

Shandong's Key Projects Help Economic Development*SK0312082293 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 2 Dec 93*

[Text] Shandong has won fruitful achievements in key construction projects over the past few years. In the five years from 1988 to 1992, 124 state and provincial key projects for the Seventh Five-Year Plan period were under construction, 73 projects were completed totally or partly, and 29.1 billion yuan of investment was made. In 1993, Shandong has continued to maintain a trend of high-speed development in the construction of key projects. Thirteen projects are expected to be completed and commissioned, and more than 6.5 billion yuan of investment will be made this year, ranking among the best in the various provinces and municipalities in the country.

The Qilu 300,000-tonne ethylene project was one of the key projects for the Seventh Five-Year Plan period that required the largest investment, was built at the highest speed and best quality, and would yield the best efficiency. Its completion has turned the Qilu Petrochemical Industrial Company into a large and modern petrochemical industrial base with complete supporting facilities, including those for oil refining, organic chemical industry, inorganic chemical industry, scientific research and designing, and machine building. It has also helped promote a large number of small and medium-sized chemical industrial enterprises in Zibo city, an important industrial city of the province, pushing the city's economy up to a new level.

The completion of the Yanzhou-Shijiusuo Railway and Rizhao Harbor has helped link the industrial zone in the southwest part of the province, which is centered on the two major coal mining areas of (Zaoteng) and Yanzhou and the two major power plants of Zouxian and (Shili-quan), with Rizhao city and then stimulated the revival and development of the economy of the entire southern part of the province, including Heze, Jining, Zaozhuang, Linyi, and Rizhao cities and prefectures, and established a new economic belt. In this way, Linyi, an old revolutionary base area of the province, has regained great vigor and vitality, and the new Rizhao city is like the sun rising in the eastern sky.

Installation of large power generation units in a large number of new power plants in Huantai, Longkou, Dezhou, Liaocheng, Heze, Linyi, Weifang, and Weihai has increased Shandong's power generation capacity to 10 million kilowatts. Our annual electricity output totaled 55.64 billion kilowatt hours in 1992, ranking first in the country.

After the Weifang Soda Ash Plant, whose annual production capacity is 600,000 tonnes, was completed and commissioned, the shortage of glass, an important building material, has been resolved. Soda ash has also been exported to other provinces and other countries, and its output has jumped to first place in the country.

The (Wunan) Cement Plant, which is up to the first-rate level of the country, produces 1.3 million tonnes of 525-type portland cement a year, thus making the best of Shandong's abundant resources of limestone and pushing its cement output to second place in the country.

The completion of the three major chemical fiber production bases—the polyester fiber base in Jinan, the acrylic fiber base in Zibo, and the viscose fiber base in Weifang—has created a brand-new outlook for Shandong's textile industry.

Shandong's Private Economy 'Developing In Depth'

OW0312091593 Beijing XINHUA in English 0827 GMT 3 Dec 93

[Text] Jinan, December 3 (XINHUA)—The private economy is developing in depth in east China's Shandong Province, with higher skills, increased investment and expanded scale.

At present, the total number of self-employed people, private enterprises and registered capital of this sector, are all on top of the list in comparison with those of other provinces.

A senior official from the Shandong Industrial and Commercial Administration attributed the development to the favorable state policies adopted in recent years and an environment of fair competition that has gradually taken shape.

China's goal of establishing a socialist market economy has wiped out lingering doubts about or disapproval of the private economy and has brought about prosperity all over the country.

The private economy in Shandong used to be imbalanced, with the majority of its self-employed businessmen and private enterprises located in rural areas.

But this year has seen a rapid expansion of the private economy in urban areas.

Overall qualities of personnel engaged in private businesses have also been greatly improved, and more and more well-educated people with skills and experience in management have been attracted to the sector, as compared with only a few years ago, when it was mainly manned by jobless people and ex-convicts.

This year has witnessed a shrinking in the numbers of the self-employed and households engaged in commercial, construction and other services, and, at the same time, a rapid growth of private enterprises.

Total registered capital of private enterprises quadrupled in the first ten months of this year, compared with the same period of last year, and the number of enterprises with registered capital over 1 million yuan each has reached 196, among which 108 newly emerged this year.

Along with the expansion of scale and improvement of quality, private enterprises are also taking bold steps in reforming their operating mechanisms.

Meanwhile, share-issuing private enterprises have appeared in developed regions of the province.

These private enterprises have not only effectively made up for the shortcomings of collective and state-owned enterprises in answering the needs of people but also injected great vigor into the export-oriented economy of the province.

Incomplete statistics show that Shandong possesses 69 privately owned joint ventures and Sino-foreign co-operative enterprises. Overseas funds already utilized total 16 million U.S. dollars.

Taxes from private enterprises now account for one tenth of the total revenue of the province.

Shanghai Leading in Telecommunications Development

OW0312114993 Beijing XINHUA in English 1138 GMT 3 Dec 93

[Text] Shanghai, December 3 (XINHUA)—Shanghai's residents will soon find it more convenient to make long distance calls when the city's new telecommunications equipment becomes operational.

About 100 sets of telephone exchanges imported from Belgium were recently installed in the city, adding 30,000 lines of long distance telephones. Shanghai had only 13,000 lines of long distance telephones before.

At present, the new operational facilities, with an investment of about 100 million yuan, have linked Shanghai with 10 cities in the country.

Another telephone exchange system with 10,000 lines is expected to open in the city soon. With a combined capacity of 53,000 lines of long distance telephones, Shanghai will soon lead Chinese cities in this field.

Zhejiang To Build More Expressways

OW0312023793 Beijing XINHUA in English 0152 GMT 3 Dec 93

[Text] Hangzhou, December 3 (XINHUA)—East China's Zhejiang Province is employing a share-holding system in building two expressway sections to ease its bottlenecked transportation problem.

One section in Jiaxing Prefecture is part of the expressway from Shanghai, China's largest economic center, to Hangzhou, capital of Zhejiang.

It will be built jointly by Jiaxing city's Shanghai-Hangzhou expressway headquarters and the Hainan Heping Industrial Company Ltd, at a total cost of 3.3 billion yuan.

With each allocating 100 million yuan for the construction, the headquarters and the company will issue stocks and use loans from the World Bank.

The other expressway section, 81.5 km in Taizhou Prefecture, is part of the expressway running from Heilongjiang Province in northeast China to Sanya, a scenic spot in Hainan Province in southern China.

The first construction phase, on a 42.1-km section, will need an investment of 629 million yuan and will be built by a shareholding company formed by 11 organizations and units.

Central-South Region

Guangdong Export-Oriented Rural Industries Expand

OW3011142193 Beijing XINHUA in English 1242 GMT 30 Nov 93

[Text] Guangzhou, November 30 (XINHUA)—Rural industries in Guangdong Province are taking advantage of overseas funds to promote export-oriented business.

In the first nine months of this year, the sector's exports were valued at 4.228 billion U.S. dollars, an increase of 75 percent over the same period of last year.

With the improvement of the investment environment, businessmen from Hong Kong, Taiwan, Japan, the United States, Germany, the Republic of Korea, Singapore and Thailand are funneling funds into the area.

The state has approved 45 rural enterprises in Guangdong Province as export bases.

About 1,000 products made by rural enterprises in Guangdong have been exported to more than 100 countries and areas in the world.

Guangdong Sees Some Drop in Crop Production

HK0312123093 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 3 Dec 93

[Text] Recent statistics by the Guangzhou City Statistical Bureau indicate that crop production on the outskirts of Guangzhou generally has decreased this year. The output of grain, oil, and sugar is expected to decrease by 13 to 15 percent; vegetables are expected to increase by 5 percent over last year. Of the nine cities, counties, and districts under the jurisdiction of Guangzhou City, the city of Panyu has registered the greatest decrease—22.59 percent—in grain production, whereas the other areas have seen a decrease of approximately 10 percent. Peanut production has fallen for four consecutive years. Sugarcane acreage has become smaller. Compared with last year, vegetables have increased in terms of both acreage and production as a result of the peasants' initiative being stimulated by active implementation of the shopping basket project.

Hainan Trade Fair 'Fruitful'

HK0312081293 Beijing CHINA DAILY in English 3 Dec 93 p 2

[By CHINA DAILY staff reporter: "Trade Fair in Hainan Fruitful"]

[Text] Haikou—Hainan Province's Trade Fair '93 recently ended after a week of furious trade dealing.

At the fair, 72 foreign-funded enterprises and projects were approved with a total investment of \$1.46 billion. The figure was a 30 per cent increase over last year's event.

Contracts with foreign partners at the fair involved \$886 million.

Among foreign-funded projects, the real estate sector received \$1.15 billion and industrial projects received \$181 million. Tourism and agriculture also attracted investment.

Investors at the fair come from the United States, Singapore, Canada, Australia, Thailand, Hong Kong and Taiwan.

Tourism attracted 460 million yuan (\$79 million) of investment.

According to Mao Zhijun, Vice Governor of the province, trade was "booming" at the fair.

Forty-two domestic enterprises signed 415 export contracts with foreign entrepreneurs valued at \$350 million. The figure is a rise of \$40 million, or 13 per cent, over last year's fair.

Trade volume among mainland enterprises reached 853 million yuan (\$147 million).

More than 2,000 overseas and 3,000 Chinese entrepreneurs attended the fair, which coincided with the China Science and Technology Fair '93 held in Haikou.

At the science fair, over 500 contracts involving 380 million yuan (\$66 million) were clinched. About 30 per cent of the technology and products traded were purchased by enterprises of Hainan Province.

Meanwhile, a delegation led by Senior Minister Lee Kuan Yew of Singapore arrived in Hainan on Tuesday for a three-day visit.

The delegation, which consists of Singapore officials and 12 noted entrepreneurs, aims to investigate the province's investment environment, Lee said.

The minister said his country is interested in investing in Hainan Province.

He said Hainan Province has high tourism potential and the local construction and economic development impressed him deeply.

During the tour, Lee met with Tian Jiyun, Vice Chairman of the Standing Committee of the National People's Congress, and Hainan Governor Ruan Chongwu.

Henan Governor Meets World Food Delegation

HK0112092793 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 27 Nov 93

[Text] On the afternoon of 26 November and in the morning of the 27th, Governor Ma Zhongchen and Vice Governor Fan Qinchun met in Zhengzhou with a UN World Food Program [WFP] formal appraisal delegation headed by [words indistinct], respectively. The hosts and guests held a cordial and friendly talk.

Ma Zhongchen and Fan Qinchun thanked the experts for their arrival in Henan to conduct a formal appraisal of the comprehensive development project on low-yield farmlands in the Dabie Shan area under Xinyang jurisdiction. Ma Zhongchen said: As a large agricultural province, Henan is quite willing to cooperate with the UN WFP and also hopes to further strengthen cooperation in this field so as to promote the speedy development of Henan's agricultural economy.

Experts of the appraisal delegation arrived in Henan on 10 November. After some 10 days of survey, they smoothly completed a formal appraisal of this project. These experts revealed that this project will be implemented next year, following approval. This project will be implemented in barren mountains [words indistinct] 22 townships and towns in Xinyang Prefecture. It has been planned that the prefecture will receive gratis aid of [figure indistinct] from the WFP, and the implementation period is 15 years [words indistinct] An announcement will be made on comprehensive management of [words indistinct] and improvement of [words indistinct] basic facilities, poor lands, [words indistinct] and other backward features, as well as the peasants' comprehensive economic activities, including fishing and processing industries, so that the 570,000 peasants in the prefecture will escape poverty and become better off.

Henan Reaps 'Bumper' Grain, Oil-Bearing Crop Harvests

OW0212164093 Beijing XINHUA in English 1538 GMT 2 Dec 93

[Text] Zhengzhou, December 2 (XINHUA)—Henan, China's major agricultural province, reaped bumper harvests of grain and oil-bearing crops this year.

The province's output of grain amounted to 34.38 billion kilograms. The harvest in oil-bearing crops will be capable of producing 594.5 million kilograms of oil. The figures were 10.6 percent and 20.9 percent higher than those of last year, and 4.06 percent and 7 percent higher than those of 1990, the previous all-time highs.

This year, the province produced 18.44 billion kilograms of grain in summer crops and 15.94 billion kilograms of grain in autumn crops, up by 10.4 percent and 10.8 percent compared with last year.

Meanwhile, the increase rates in the outputs of rapeseed, sesame and peanuts were all more than ten percent each.

Southwest Region

Tibet Security Official Defines State Security

OW0212181293 Lhasa XIZANG RIBAO in Chinese 15 Nov 93 p 3

[By Pingcuo (1627 2238), of the Tibet Autonomous Regional State Security Department: "The Meaning and Awareness of State Security"]

[Text]1. What Is the Meaning of State Security?

State security means the sum total of interests in a sovereign country's independent existence and development: It means a country's independence, sovereignty, and territorial integrity whereby its people's lives and properties will not be threatened or invaded by foreign forces. It also means that the country's political and economic systems will not be overturned; that economic progress, national harmony, and social stability are not threatened; that state secrets are not stolen; that state functionaries will not be incited to rebellion; and that state organs are not infiltrated. State security work covers a relatively wide range. Broadly speaking, the work of safeguarding state security covers many fields concerning the state's security and interests, such as national defense, foreign affairs, struggles on the covert front [yin bi zhan xian 7148 5599 2069 4848], public security, ideology, culture, economics, science, and technology. Strictly speaking, state security work includes a series of tasks handled by state security organs on the covert front to safeguard the state's security and interests.

2. What Is Awareness of State Security?

Awareness of state security means the sum total of concepts a citizen should have while executing his duties concerning the state's security, honor, and interests. These mainly include concepts regarding the patriotic spirit, the supremacy of national interests, the law and discipline, the enemy's situation, the maintenance of secrets, security precautions, and information on various situations.

3. What Is the People's Line of Defense Against Traitors and Spies in a New Era?

The people's line of defense against traitors and spies in a new era means that by promulgating, mobilizing, and organizing relevant social forces, and coordinating with special organs under the leadership of party committees and governments at various levels, we form a comprehensive defense system aimed at guarding against and fighting infiltration, subversion, splittism, and sabotage (especially the theft of intelligence and secrets, collusion to incite rebellion, and psychological warfare to cultivate spies) by spy and intelligence organizations and other hostile forces in an effort to safeguard the state's security, interests, and stability while opening up to the outside world.

4. What Is the Essence of the Struggle Against Infiltration, Subversion, Splittism, and Sabotage?

The struggle between the forces for infiltration, subversion, splittism, and sabotage and those against these activities are an extension of the protracted antagonistic struggle between the two social systems and ideologies. The struggle's essence is whether or not to uphold the communist party's leadership and the socialist road; in the final analysis, it is an issue of political power. It is an arduous struggle that concerns the future and destiny of our party, state, and people.

At present, class struggle is no longer the major contradiction in China's society. Yet, class struggle will continue to exist within a certain limit for a long time to come, and it may worsen under certain conditions. The main form of

class struggle at present in China is the struggle between adhering to the four cardinal principles and bourgeois liberalization in political and ideological fields; between the broad masses of people and hostile forces; and between the forces for infiltration, subversion, splittism, and sabotage and the forces against these activities. Class struggle is an international phenomenon. Domestic and international class struggles are always linked together. International hostile forces always try every possible way to cultivate similar forces on the domestic front as their "internal responsive forces" to subvert the socialist system, whereas domestic hostile forces always regard their foreign counterparts as their patrons and draw support from them.

Tibet's Yushu Prefecture Begins Development Drive

OW2511075893 Beijing XINHUA in English 0623 GMT 25 Nov 93

[Text] Xining, November 25 (XINHUA)—The Tibetan Autonomous Prefecture of Yushu, a remote area in north-west China's Qinghai Province, is now carrying out a large-scale development drive with the support of the central and provincial governments.

All-round development is mainly carried out in the fields of agriculture, animal husbandry, forestry, mineral and water resources.

Located in the hinterland of the Qinghai-Tibet plateau, the prefecture was known for its poverty on the one hand, and its rich resources of minerals such as gold, silver, copper, aluminum, coal, salt and jade on the other.

For a long time, Yushu's economy was greatly affected by the bad local climate and lack of transport facilities.

With preferential policies granted by the central and provincial governments, the prefecture has invested 250 million yuan (about 42 million U.S. dollars) in infrastructure works.

A contracting system has been implemented in its pastoral areas which has promoted herdsmen's keenness to promote production.

In the past four years, the prefecture has made progress in improving grassland, low-yield farmland and water conservancy facilities.

Some 550 kilometers of highways have been built, giving access to almost all the villages.

A power station has been put into operation and another one is under construction in Zhiduo County of the prefecture.

The prefecture has more than ten coal industry and power projects starting construction soon.

More than 30 million yuan (about 5 million U.S. dollars) has been used for a mineral resources survey which has found many big and medium-sized mineral reserves.

Some gold exploration ventures have started construction in the north of the prefecture.

Plants have been built to produce carpets, mineral water, meat products and Chinese herbal medicines by making use of local resources.

Funds from other parts of China such as Shanghai, Beijing and Hong Kong have been attracted to the prefecture.

North Region

Beijing To Expand Expressway

OW0212152793 Beijing XINHUA in English 1227 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—Traffic conditions in Beijing will be improved by 1995, when the third ring road on the periphery of the city is scheduled to become a high-speed expressway.

The expansion of the northern and western sections of the capital's third ring road will begin early next year, according to the municipal construction administration.

The ring road, totalling 48 kilometers, will need no traffic lights.

The northern section of the ring road will be extended 15.3 kilometers, with three flyovers. The entire roadway will have six lanes.

Reportage on Hebei Secretary's Comments

Attends Rural Work Conference

SK3011055993 Shijiazhuang HEBEI RIBAO in Chinese 8 Nov 93 pp 1, 2

[By trainee Zhou Jinxiang (0719 6855 7449) and reporter Guo Zengshun (6753 1073 7311): "The Hebei Provincial CPC Committee Holds Rural Work Conference"]

[Text] The rural work conference of the provincial party committee was held in Shijiazhuang on 7 November. The major tasks of this conference were to relay the guidelines of the central rural work conference and to study and arrange the provincial agricultural production and rural economic work. The discussions focused on four issues: First, to further upgrade the understanding of the role of agriculture as the foundation of the national economy and define the work ideology of constantly paying high attention to agriculture, the peasants, and the rural work. Second, to proceed from strengthening the role of agriculture as the foundation of the national economy and study measures and methods for ensuring a stable increase in basic farm products. Third, to study ways for the deepening of rural reform; to readjust the industrial structure; to develop "high-yield, high-efficient, and good-quality" agriculture; to guide the peasants to engage in production according to market demands; and to coordinate, as soon as possible, agricultural development with the market economy. Fourth, to study and work out measures and speed up the pace of making the rural people become fairly well-off.

Ye Liansong, deputy secretary of the provincial party committee and governor of the provincial government,

chaired today's conference. Cheng Weigao, secretary of the provincial party committee, made a speech.

Present at the conference were provincial leaders Liu Shanxiang, Chen Yujie, Han Licheng, Chen Liyou, Zhao Jinduo, Li Zhanshu, Ning Quanfu, Li Haifeng, Gu Erxiong, Liu Zuotian, Song Shuhua, and Wang Zuwu; responsible comrades of the provincial-level departments concerned; city and prefectural party committee secretaries; mayors; prefectural commissioners; deputy secretaries, vice mayors, and vice prefectural commissioners in charge of agricultural and rural work; secretaries of the party committees of the counties that conduct the overall reform on a trial basis; secretaries of party committees and party branches of some counties, towns, townships, and villages; and some experts in agriculture.

Cheng Weigao first stressed in his speech that we should accurately understand the rural situation and grasp favorable opportunities to speed up development.

Cheng Weigao said: Since the Third Plenary Session of the 11th Party Central Committee, gigantic changes have taken place in the rural situation. After the 14th party congress called for setting up the socialist market economic system, the province entered a new agricultural and rural economic development period. The rural situation is generally good. The total output value of the rural society is expected to reach 180 billion yuan, an increase of 38 percent. Of this, the total agricultural output value is 41.4 billion yuan, an increase of 3 percent. Under the situation where the province is hit by the serious natural disasters, the province reaps better grain and oil-bearing crop harvests and the per-unit yield of cotton increases. Nonagriculture activities, particularly town and township enterprises, are rapidly developing. The total output value of town and township enterprises is expected to reach 160 billion yuan, an increase of 60 percent over the corresponding period last year. Due to the development of agriculture and the rural economy, the per capita net income of the peasants is expected to reach 750 yuan, an increase of 10 percent over the previous year. Particularly, this year, we paid firm attention to not giving IOU notes to the farm and sideline product sellers. According to state regulations, we have sorted out and reduced the peasants' burdens, paid attention to strictly dealing blows to criminal offenders in the rural areas, and comprehensively improved the rural social order. Thus, the party and the government have improved their relations with the masses, and the political situation of the rural society has been more stable. However, we must clearly understand that the province's agricultural and rural economic development situation has not been suitable to the demands for the improvement of the national economy and the people's livelihood. Particularly under the new situation of developing the socialist market economy, some prominent problems related to agricultural production and rural economic development have been exposed. Some deep-layered contradictions are getting sharper and sharper with each passing day. First, price differences between industrial and agricultural products have become broader. The comparable benefits from the production of basic farm products

are ceaselessly reduced. Therefore, the peasants' enthusiasm for growing grain has been dampened. Second, the peasants' real income has increased slowly since the latter half of the eighties when price factors are deducted. Third, investment in agriculture has been insufficient, peasants' input in agricultural production has decreased by a big margin, and the infrastructure of agriculture has been weak. After the province topped 22.5 billion kg in the total grain output in 1990, total output and per-unit output of grain has stagnated over the past several years. A big landslide has occurred in cotton production, cotton growing acreage and total cotton output have declined by a big margin. Fourth, rural labor force has slowly shifted to other fields, and the pressure on employment in rural areas has increased. Over the past several years, although the province's township and town enterprises have developed rapidly, the total scale of township and town enterprises has not been great enough, and thus the labor force employed by such enterprises has not been great enough. At the end of 1992, township and town enterprises in the province employed a total of 6.98 million staff members and workers, only accounting for 28.3 percent of the total rural labor force. These problems are primarily due to the failure in systems and policies and the failure in leadership and work. Leaders in quite a few localities have been unrealistically optimistic after achieving marked results in rural reform and have not done enough in paying attention to, doing research for, and solving the new circumstances, new contradictions, and new problems emerging in agricultural development. In addition, compared to industry, the production period of agriculture is longer than that of industry, results achieved in agriculture are slower than those in industry, the revenues provided by agriculture for financial departments in a short period of time are fewer than those provided by industry, and the role played by agriculture in effecting a rapid growth is not as great as the one played by industry. Therefore, some leading cadres have consciously or unconsciously harbored the ideas of making much account of industry but little account of agriculture, making much account of urban areas but little account of rural areas, and neglecting the position of agriculture as the foundation of the economy.

Cheng Weigao said: Although there are many problems and difficulties in developing the province's agriculture and rural economy, it should be noted that the conditions for solving these problems and difficulties are going to mature, and we are facing a new opportunity to accelerate the development of agriculture and rural economy. When viewed from policy environment, the CPC Central Committee and the State Council have attached high importance on agriculture and rural work and have already adopted and will soon adopt a series of policies and measures for making agriculture strong and the people rich. When these policies and measures are put into place, the relative results of agriculture will be obviously enhanced, the input in agriculture will increase by a big margin, peasants' interest will be protected further, and, then, the enthusiasm of the vast numbers of peasants will be mobilized greatly. When viewed from the in-depth reform, along with the gradual establishment of the

socialist market economic system that was set forth by the 14th National CPC Congress, peasants and the rural collective economic organizations will gradually become the main body of markets and the main body of benefits that manage themselves independently and assume responsibility for their own profits or losses. At the same time, they will change from laying emphasis on product contributions in the past to laying emphasis on market contributions, will even more consciously handle affairs in line with the law of value, will develop in an even more positive manner the agriculture with high output, fine quality, and high efficiency, and then give rise to new production ability. When viewed from market demands, along with the development of the national economy, the expansion of world markets, and the improvement in the people's living standards, new demands have been continuously set on the quality and quantity of agricultural products, the consumption of products with fine quality, high grade, and diverse varieties has increased greatly, and high-value foodstuffs and various kinds of consumption will certainly increase by a big margin. Such a market demands at home and abroad will certainly open up even more extensive market prospects for developing the agriculture with high output, fine quality, and high efficiency. When viewed from the work idea, through the practice in the past several years, we have increasingly defined that to enable the people throughout the province to become rich and lead a comfortable life, we must ensure the steady increase in basic agricultural products and accelerate the development of large agriculture, embracing agriculture, forestry, animal husbandry, sideline management, and fishery, and the development of township and town enterprises. Toward this work idea, the whole province, from top to bottom, is relatively unified in understanding, and the state will also adopt measures to support it. Therefore, it should be said that now is the most favorable time to develop agriculture and rural economy. Party committees and governments at all levels must obtain a clear understanding of the current situation, seize the opportunity, organize and guide the vast numbers of peasants to beef up the province's agriculture and rural economy, and lay a solid economic foundation for stabilizing agriculture's position as the foundation of the economy, for increasing peasants' income by a big margin, and for enabling the peasants in the province to lead a comfortable life.

In the second part of his speech, Cheng Weigao called on leaders at all levels to more consciously pay attention to agriculture, the rural areas and peasants. He pointed out: In our implementation of the guidelines of the central rural work conference, the most important aspect is to further enhance and unify the understanding of cadres at all levels of the issues concerning agriculture, the rural economy and peasants, enable the broad masses of cadres, leaders at all levels, in particular, to realistically, practically, and consciously strengthen agriculture and rural work, and care for the actual benefits of peasants. Since the convocation of the third plenary session of the 11th CPC Central Committee, the third generation of leading collective with Comrade Jiang Zemin's as the nucleus has successively adopted four major moves on agriculture and rural work in

the past four years. Practice has proved that the party Central Committee has always paid great attention to the issues of agriculture, the rural areas and peasants, and put agriculture and rural work in the first place of the party's work and the state's development strategy.

Comrade Deng Xiaoping has made a series of brilliant expositions in line with the basic Marxist principle. This is an important content of the theory on building socialism with Chinese characteristics. Central leading comrades, including Jiang Zemin and Li Peng, have successively issued many important opinions and, in the integration of theory with practice, repeatedly explained the extreme importance of this issue. The major ideological viewpoints of the expositions of Comrade Deng Xiaoping and the central leading comrades are: Agriculture will always hold a foundation status in the national economy and this status will never be changed; agriculture is a major political issue; stability in the rural areas will determine the stability of the overall situation; rural reform will bring along and support reform of the overall situation; it is necessary to pay attention to safeguarding the interests of peasants, increasing their income and guiding and helping them to march toward the goal of becoming well-off; the key to developing agriculture is to "rely on three aspects," namely, policies, science and technology and input; it is necessary to uphold the principle of the state on protecting agriculture for a long time; and it is necessary to comprehensively strengthen and realistically improve the leadership of the party and the government over agriculture and rural work. We should be educated by this series of important ideological viewpoints, and should realistically solve the ideological issues and understanding of how to treat agriculture, the rural areas, and peasants. While pondering issues, managing things, devising plans and formulating measures, we should realistically grasp the following few points well: First, the more we maintain a sustained, speedy, and sound development in the national economy, the more we should pay attention to strengthening the foundation status and role of agriculture. We should make use of the unceasing development of agriculture and the rural economy, the effective supply of basic farm products, the unceasing expansion of rural sales markets and the unceasing transfer of rural labor forces to support and promote the overall situation of the national economic development; second, the more we establish the socialist market economic system, the more we should rely on the effective macroeconomic regulation and control to support and protect the weak agricultural industry. Not only should the state support and protect agriculture but also the localities, all trades and professions should support, assist, help, and protect agriculture; third, the more we deepen reform and readjust the pattern of interests, the more we should pay attention to properly handling the relationship between the urban and rural areas and between industry and agriculture, grasping the reform degree and the points that we should exert efforts, formulating correct policy measures, checking the big price difference between industrial and agricultural products, and realistically safeguarding the interests of peasants; fourth, the more we readjust the investment structure, the

more we should increase agricultural input. Financial allocations and credit funds should tilt favorably to agriculture and rural areas to a proper extent, and agricultural investment should be increased. Planning, finance, and credit departments at all levels should arrange construction projects after agricultural funds are guaranteed on a priority basis. We should rather develop fewer industrial projects for the time being in order to meet the urgent needs in agriculture. Fifth, the more we want to build an economically strong province and enhance the economic strength of the entire province, the more we should support and guide peasants to greatly develop high-yield, good-quality, and high-efficient agriculture and township enterprises and, on the basis of accelerated economic development, increase peasant's income by a large margin and help them quicken the steps toward a fairly comfortable life. Sixth, the more we want to accelerate rural economic development, the more we should attach importance to intensifying the building of the spiritual civilization in rural areas, strengthen party building, improving county, township, and village leading bodies, develop science, technology, and education, achieve success in comprehensively tackling public security problems, and provide ideological, organizational, environmental, and intellectual guarantees to agricultural and rural economic development.

The third part of Cheng Weigao's speech is the need to regard the ensured steady growth of basic farm products as the most important task in developing the rural economy. He said: Whether we should ensure the steady growth of basic farm products when developing the socialist market economy is an issue on which leading persons at all levels should unify their thinking. Both history and reality tell us that we should ensure the steady growth of basic farm products, such as grain and cotton, either under the planned economy or under the market economy. This is decided by our national situation. First, in a country with a large population like ours, enabling the people to have enough food and clothes is always the task in the first place; and whether we can ensure the steady growth of grain and cotton is an issue directly concerning the stability of people's life and society. Second, development of the socialist market economy has not changed the important strategic position of basic farm products in the national economy and people's livelihood. On the contrary, the sustained, rapid, and healthy development of the economy depends on the support provided by the steady growth of grain, cotton, and other farm products. Third, ensuring the steady growth of basic farm products is also an issue concerning the self-support and self-improvement of the country. Fourth, we should correctly treat the current situation in grain and cotton production. There is no such issue as "supply exceeding demand" in grain. Therefore, grain and cotton production should still be developed under guidance plans, and complete freedom in the production is not allowed.

In line with the targets of building an economically strong province as decided in the "outlines of Hebei's economic development," the GNP in the primary industry should increase by 5 percent every year. In grain production, we

should greatly increase per-unit yields and total output and strive for an increase of 500 million kg in 1994 and 1995 based on this year's amount. In cotton production, we should adopt effective measures to check the downturn and restore the annual production of 500 million kg in two years. In short, we should adopt every possible means to ensure the steady growth of basic farm products. To this end, he put forward nine measures. First, we should stabilize the household-based output-related contract responsibility system on a long-term basis and further improve the dual management system whereby unified operation is combined with independent operation. When the original land contracts expire, the term of the contracts should be extended for another 30 years. The term of the contracts for developing barren hills, wasteland, and beaches may be even longer. Meanwhile, proceeding from specific local conditions and economic development levels and based on the principle of voluntary participation of the masses and mutual benefits, we should conduct paid transfer of land use right to properly expand the development scale. We should further perfect the rural socialized service system by developing and expanding the collective economic strength, strengthening the means of service, and improving coordination and management.

Second, we should accelerate reform of the grain purchasing and marketing system. It is necessary to implement the grain protective price system. We should successfully carry out all tasks in line with the central demands and with a positive attitude and establish the local grain risk-taking funds and the multiple-level grain reserve system on time. Third, we should adopt effective measures, rapidly restore cotton production, work hard to bring about an upsurge in next year's cotton farming and restore the production to a normal level. In order to mobilize the enthusiasm of peasants in cotton planting, we must further raise the cotton prices of next year. We must tell peasants about this as early as possible. The party and government top leaders of counties and townships should personally grasp cotton production, guarantee the comprehensive input of essential funds, materials, science and technology, conscientiously render all services, assume responsibility at all levels, resolutely implement the award and punishment system, and guarantee that a fairly big development in cotton production will be seen throughout the province. Fourth, we should set a ceiling price for the means of production for agricultural use. This work involves various aspects, including production, transport and marketing, and all relevant departments, such as the commodity price, industrial, commercial and tax departments, and needs their mutual cooperation and coordinated action. Fifth, we should give priority to supporting a batch of major grain and cotton producing base counties. On the one hand, we should strive to enable more major producing counties enter the ranks of the large commodity grain counties and large quality cotton producing counties receiving the state's special support; on the other hand, we should select and determine a batch of provincial-level major grain and cotton producing base counties under special support. Sixth, we should expand the degree of popularization and application of agricultural science and

technology. Agricultural pertinent departments at all levels and agricultural scientific research and technology popularization departments should do a good job in planning under the unified leadership of the local governments, designate a batch of technical items for popularization every year, adopt the methods of combining propaganda and education with demonstration of typical cases, economic support and administrative means and conscientiously popularize them until good results are achieved. The financial departments must support scientific and technical personnel responsible for popularizing conventional agricultural technologies. The agricultural scientific and technical service systems must be strengthened and developed and must not be weakened, the agricultural technical contingents must not be dissolved and the funds must not be stopped. We should actively publicize and implement the "agricultural technology popularization law" and establish a number of demonstration zones where a type of "farming that provides high yield of fine quality with maximum efficiency" is cultivated. Seventh, we should actively strengthen the building of capital construction of farmland and water conservancy projects. The state defined project of "diverting water from the south to the north" will be planned and implemented soon. Governments at all levels and all relevant departments should make early preparations and guarantee the fulfillment of all state-assigned tasks. We should conduct propaganda and mobilize the people in the entire society to save water, clearly explain Hebei's water shortage situation to the people across the province, formulate water saving plans for industry, agriculture and the people's living, and include the items on saving water in the agricultural and industrial sectors and in the people's living to the technological transformation, agricultural development, water conservancy and urban construction plans; conscientiously implement the water law, persist in running water works and tapping and using water in line with law, and solve the sources of funds for developing water conservancy projects through the method of using what is taken from water resources in the interests of water conservancy projects; as far as agriculture is concerned, we should concentrate essential funds and do a good job in carrying out "water saving, tapping and storing" projects. The provincial government should formulate plans and strengthen organizational leadership. Eighth, we should give priority to improving medium and low-yield fields and do a good job in agricultural development. Over the past five years, our province has actively strived for state support, conducted large-scale Haihe plain agricultural comprehensive development projects, upland ecological farming construction projects and agricultural development projects with World Bank loans, improved 9.6 million mu of medium and low-yield fields, and ensure that the increased amount of grains will account for more than 30 percent of the whole province's total output increase. Under the state support, we should do a better job in building agricultural development items focusing on improvement of medium and low-yield fields, and through policy guidance, interests encouragement and organizational coordination, mobilize the broad masses of peasants to increase input in an effort to accelerate the pace of the whole province's agricultural

development. Ninth, we should conscientiously assume responsibility and do a good job in grasping the work of reducing peasants' burdens through to the end. As inspected by the provincial government, we know that in the previous stage, all localities generally did a good job and made noticeable achievements in implementing the central authorities' series of policy measures for reducing the peasants' burdens. However, some problems that cannot be ignored still exist. The party committees and governments at various levels should conscientiously and constantly take responsibility for solving the problems according to the policy measures and strive to make bigger achievements at the end of the year. Next year, we should further pay firm attention to the implementation work. In line with the anticorruption struggle, we should focus our efforts on sorting out and straightening out the problems relating to the electricity charges in the rural areas about which the peasants have strong complaints.

The fourth part of Cheng Weigao's speech is to deepen the rural reform, to speed up "two changes," and to guide the peasants to enter markets. He stressed: On the premise of ensuring a stable increase in basic farm products, we should deepen the rural reform and optimize the rural economic structure to speed up the "two changes." This is the key to realizing the target of making the rural people become fairly well-off. It is difficult for the rural areas to realize the target if they only engage themselves in the production of grain, cotton, and oil-bearing crops. Only when we develop agriculture on a large scale on the basis of developing the production of grain, cotton, and oil-bearing crops will we have prospects for realizing the target of becoming fairly well-off. If we continue to vigorously develop town and township enterprises and have larger numbers of laborers change their occupations and engage themselves in the production of the secondary and tertiary industries, we will certainly be able to realize the target. The so-called "two changes" are as follows: First, vigorously promote the change from the traditionally low-efficient agriculture to "high-yield, high-efficient, and good-quality" agriculture so as to comprehensively develop agriculture, forestry, animal husbandry, sideline occupation, and fishery. Second, vigorously promote the change of the orientation of the rural economy from the unitary agriculture to the economy that agriculture plays a role as the foundation, the secondary industry plays a dominant role, and the tertiary industry develops in coordination with the primary and secondary industries. According to the different actual conditions and special features, all cities, prefectures, and counties should work out plans for realizing the "two changes" and solidly organize forces to implement the plans.

He urged: First, all prefectures and cities should pay firm attention to the development of projects and vigorously develop high-efficient agriculture. On the basis of full assessment, we should positively guide the peasants to vigorously develop, according to market demands, cash crops and forage crops, melon and vegetable production, forest fruit industries, animal husbandry, and fishery. All localities should proceed from their actual conditions,

make scientific arrangements, vigorously make development, release the existing resources, and turn their resources into economic advantages of developing the commodity economy and increasing the agricultural economic results. Second, according to the requirements of industrialization, we should firmly attend to intensive processing and form a coordinate production process. We should organize each and every household engage in decentralized management. With the focus on dominant industries and key products, we should realize regional distribution, specialized production, socialized service, and enterprise management; set up a production and management system where cropping, breeding, and processing are a coordinate process; production, supply, and marketing are a coordinate process; domestic trade is coordinated with foreign trade; and agriculture, industry, and commerce are a coordinate process; and make a unified plan for developing the economy, science, and education. We should fully use various resources and the advantages gained by our geographic position and the human relations to regard the processing, storage, transportation, and marketing of farm and sideline products as industries; and to systematically make plans for intensively developing these industries. At the time of developing the intensive industries of farm and sideline products, we should particularly develop foodstuff, forage crop, medicine, and ferment industries to promote a continuous expansion of industries, a continuous increase of technological contents, and a continuous increase of the value-added products. Third, we should persist in the principle of paying attention to both development and improvement to continuously speed up the development of town and township enterprises. We should continue to persist in the principle of encouraging the development of township, village-, and combined household-, and household-run industries and the simultaneous implementation of various systems so as to promote a faster and better development of town and township enterprises. At the time of positively developing the collective sector of the economy, we should continue to vigorously support and encourage the development of private and individual enterprises. At the time of speeding up the development pace, the localities where town and township enterprises are rapidly developed and the foundation for the development of town and township enterprises is good should prominently grasp the development of key enterprises; help these enterprises perfect their managerial mechanisms, conduct technological transformation, promote technological progress, readjust the product mix, improve quality, and expand the scale; and strive to enter the international and domestic markets. Fourth, we should accelerate establishment of the rural market system to provide favorable conditions for peasants to enter the market. Pertinent provincial departments and various cities and prefectures should continue to develop, in a planned and orderly manner, country fairs and specialized wholesale markets for farm products and the products of township enterprises to gradually establish networks of primary, middle-level, and high-level markets that coordinated business with production and the new system of large-scale circulation. Governments at all levels, especially pertinent departments, should strengthen their

service functions and information guidance and disseminate the knowledge on the market to improve peasants' skills to participate in market competition. We should make great efforts to organize peasants' associations and organizations and service intermediary organizations, such as lawyers' and accountants' offices, at various levels and of various types and ownerships to provide timely, accurate, meticulous, and effective service for peasants to enter the market. Fifth, we should promote the shareholding cooperative system more rapidly to cultivate the mainstay of the market economy. In line with the principle of "active support, correct guidance, continuous improvement, and gradual standardization," we should greatly develop the rural shareholding cooperative system of various forms and various categories and strive to change the system of township and collective enterprises into the shareholding cooperative system. The application of the rural shareholding cooperation should be gradually extended from township enterprises to agriculture, forestry, fruit production, livestock breeding, and agriculture as well as water conservancy construction, farm machinery industry, processing of farm and sideline products, and the tertiary industry.

The fifth part of Cheng Weigao's speech is the need to enhance the sense of urgency and sense of mission toward the endeavor to achieve a fairly comfortable life and strive to expedite this endeavor. He emphasized: Leading peasants to a fairly comfortable life by the end of this century is an important component of the second-step strategic objective of modernization defined by the party and state and also an important target of the province's endeavor to build an economically strong province. No doubt, it should become a major responsibility of county (city) and township party committees and governments. Judging from the current actual conditions of the province, time is pressing and task arduous to attain the target of a fairly comfortable life. Leaders at all levels, especially county (city) and township leaders, should have a clear understanding of this grim situation, truly bear in mind the strategic objective of a fairly comfortable life, shoulder the responsibility for this objective, and firmly focus on it to organize and promote the various rural work. We should further turn the standards for a fairly comfortable life into operable specific conditions and targets that can be attained. The provincial party committee and government plan to organize pertinent departments revise and improve the province's standards for a fairly comfortable life based on the existing stipulations and the practice in the past year and then officially promulgate them in the near future after soliciting opinions extensively. In promoting the endeavor of achieving a fairly comfortable life, we should have plans at every level, give different guidance according to different conditions, and facilitate it in an orderly manner. Regarding the localities with a low income, we should support them on a priority basis so that they can change the single-crop agriculture and quicken the steps toward a fairly comfortable life. Those with a middle-level income should greatly develop township enterprises while achieving success in large-scale agriculture to shorten the process of achieving a fairly comfortable life. In fairly

prosperous areas, we should promote the primary, secondary, and tertiary industries comprehensively and accelerate development to achieve a fairly comfortable life ahead of others. Based on their specific conditions, all cities (prefectures), counties (cities) [shi 1579], towns and townships, and villages should formulate or revise their plans for achieving a fairly comfortable life in line with the targets, demands, and specific standards for a fairly comfortable life, clearly estimate their reality, change their current situation, and strive to catch up with or surpass others, so that one-third of the counties (cities) of the province will achieve a fairly comfortable life by 1997 and at least 80 percent of the counties (cities) will do so by 2000. We should launch the activities of building better-off villages in a down-to-earth manner. The village is the foundation of the endeavor of achieving a fairly comfortable life, which will come to nothing if our thousands of villages fail to really achieve a fairly comfortable life. We should embrace the idea of taking village as the basic unit of the endeavor of achieving a fairly comfortable life. According to the preliminary plan, the province will pay attention to building 5,000 villages in the first group and strive to build them into comfortable villages in two to three years. Then, the province will pay attention to building villages group by group until 80 percent of villages in the province become well-off by the end of this century. In building comfortable villages, we should, rather than seeking a single model, proceed from realities by truly improving production conditions, truly promoting the development of rural economy, and truly bringing benefits to peasants. In this aspect, we should never engage in formalistic emulative drive of attaining targets, never make false report of per capita income, and never engage in the so-called "political achievements." Counties (cities) should assume responsibility for examining and appraising comfortable villages. We should give full play to the demonstration and guiding role of advanced examples. At present, a number of comfortable villages have come to the fore in various localities. After summarizing the experiences of 20 advanced examples in the province, the general office of the provincial party committee has issued a circular to publicize their experiences. All localities should focus their efforts on cultivating some examples that are visible to the masses and that can be emulated by the masses. We should conscientiously organize and conduct the activities of making the rich help the poor, the strong help the weak, and the cities help the countryside in order to make the peasants in the whole province become rich and lead a comfortable life altogether.

In conclusion, Cheng Weigao dwelt upon the issue of further strengthening leadership over rural work. He said: Whether we can beef up the province's agriculture and rural economy depends primarily on the leadership of all levels of party committees and governments. For this reason, he demanded all prefectures and cities to exert great efforts in the following four aspects:

First, all prefectures and cities should put agriculture in the most important position of economic work. The provincial party committee has demanded party committees and

governments at various levels to actually attach importance on and protect agriculture and be concerned with peasants' interest in line with the guidelines of the central rural work conference. In surveying the situation, studying questions, formulating plans, and making policies, we should always give consideration to agriculture, rural work, and peasants. In urban areas, when industry and departments' interest conflict with agriculture and peasants' interest, we should first pay attention to protecting agriculture and peasants' interest. In particular, we should make the fund investment appropriately incline to agriculture and first ensure the urgent demands of agricultural development. From now on, when assessing the economic work of a county (city), we should emphatically see the following two points: First, we should see whether the production of basic agricultural products has increased steadily; and second, we should see the achievements in developing large agriculture and township and town enterprises, in increasing peasants' income, and in helping peasants lead a comfortable life. However good is the work in other fields, one should be regarded as neglecting duties if he fails in the work in these two points.

Second, all prefectures and cities should establish effective rural work leadership system and working organs. In line with the demands of the central authorities, the provincial, prefectural (city), and county party committees should each assign a deputy secretary to take charge of rural work. County party committees, secretaries of county party committees, and heads of counties, should focus their work and major energy on agriculture and rural economic work.

Third, all prefectures and cities should pay attention to and use well cadres at the county and township levels. The speed of rural economic development is decided, to a very large extent, by the leadership ability and policy-making level of the cadres at the county and township levels. How to select and appoint well county and township leading cadres and fully develop their enthusiasm and role is a major issue the provincial as well as city and prefectural party committees should be deeply concerned for and attach importance to. Among the county and township cadres of the province, many comrades have indeed worked conscientiously for the party and devoted efforts to agricultural development. However, there are also a small number of county and township cadres who are really incompetent. They lack arduous efforts in thinking, in doing work, and in their work styles and are simply drifting along aimlessly. It is hoped that city and prefectural party committees will attach importance to the appointment of county-level cadres and county (city) party committees will attach importance to the appointment of town and township cadres and that they will make efforts to appoint, manage, educate, and use well county and township major cadres. County and township cadres with outstanding performance and talents should be awarded and put in important places. From now on, city and prefectural leading cadres and leading cadres of provincial departments and bureaus should be promoted more from county and district cadres with outstanding performance and the cadres with experiences in grass-roots and economic work; and county-level leading cadres should be promoted, in

principle, from town and township cadres with outstanding performance. Principal party and government responsible persons at the county level, in particular, should have at least five years of practice and experiences in county and township work. Cadres with outstanding performance who should be promoted but cannot due to work needs or limit of quotas may remain at their low positions but have higher pay. County and township leading cadres who are really incompetent and drift along aimlessly and who show little change despite education should be reshuffled in a timely manner.

Fourth, all prefectures and cities should conscientiously improve rural grass-roots party organizations with party branches as the cores. The current general situation of the leading bodies of village party branches in the province is as follows: Merely 20 to 30 percent are of high quality and have the ability to lead the masses to a fairly comfortable life; 40 to 50 percent, the largest part, have a sound organization and can maintain normal work but are weak in leading the masses to affluence; and the remaining 30 percent are backward and lack regular activities of the organization or even a sound organization, in a standstill or partly standstill situation. All localities have adopted many methods and measures to address the problems of backward party branches. For instance, they have intensified the promotion and training of grass-roots cadres, appointed outstanding demobilized and retired armymen, outstanding entrepreneurs, and cadres of advanced villages to assume posts in backward villages, send cadres directly from counties and townships to assume concurrent posts in backward villages, and organized large numbers of office cadres to help villages. These measures and methods should become systems and be adhered to continuously. Next year, the province and, in particular, cities, prefectures, and counties should all organize large numbers of cadres into work teams for achieving a fairly comfortable life and send them to townships and villages, especially backward townships and villages, to help with their work.

Commends Economic Radio Station

SK0212235693 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 1 Dec 93

[Text] On the occasion of the two-month broadcasting operation conducted by the Hebei Provincial Economic Radio and Television Station, Cheng Weigao, secretary of the Hebei Provincial Party Committee, wrote a letter to the station on 30 November. He stressed in his letter that efforts should be made to reinforce the potential of reforms by molding public opinions and conducting propaganda work and to create opinion environment for accelerating the pace in performs.

It was said in the letter that recently he often listened to the station's morning programs and he felt that the station's programs had become increasingly better and been very good, which include the special topic reports and comments on how to adopt an attitude toward the 70-percent shops of Nanguanqiao market being run by outside merchants; on the investigation data with regard to so many

food stuff commodities turned out by Hebei without large specialized markets; on the internal reform conducted by the Tangshan Iron and Steel Company; and on the entrusted business for the state properties in Tangshan city. He also said that he wanted to know the reaction of audiences across the province to these programs. In the crucial year of 1994 our country will promote integrally the economic system reform and break the key problems in it. Therefore, we should reinforce the potential of reform by molding public opinions and conducting propaganda work and create opinion environment for accelerating the pace in reforms. He urged the station in line with the spirit of decisions adopted at the third plenary session and by bearing in mind the province's reality to emphatically publicize the series of reforms that will be enforced in 1994, particularly to propagandize the current work of conducting reform in enterprise systems and enhancing the establishment of modern enterprise systems suitable to the market economy, and to publicize the task of encouraging enterprises to overcome their deep-rooted contradictions and to get on the track of benign cycle.

He said in his letter: Owing to the reform being a new thing, we should have our work of molding public opinions and conducting propaganda work for reforms become acceptable for the mass, be clear in reasons, and be understandable and interested for the mass. Only by so doing can we score results in the propaganda work. The economic station is very important and it is not easy to successfully operate an economic station. Economic issues should be the main potential of economic station. The audience of economic station should be chiefly the broad masses of businessmen and producers. If the reform and development truly become the hot and main topic discussed by the broad masses of cadres and people across the province, it is possible for Hebei Province to boost its economy and prestige.

Hebei Promotes Reform of Three Systems

SK0212140493 Shijiazhuang HEBEI RIBAO in Chinese 21 Nov 93 p 1

[By reporter Tan Shuying (2905 3219 9391): "Our Province Has Gradually Fanned Out Reform of the Three Systems From Point to Area"]

[Text] Our reporter has learned from the provincial experience-exchange meeting on reform of the enterprise labor personnel, wages distribution, and social insurance systems held on 19 November that our province's reform of the three systems has been developed from experiments in selected units to popularization in all areas, and a situation of simultaneously conducting reform of these systems in all localities has been gradually formed.

Our province has witnessed fairly rapid progress and noticeable achievements in reform of the three systems in enterprises in the recent two years. Our province's reform of the three systems in enterprises has been developed from a single reform to comprehensive supporting reforms in some selected enterprises and from the comprehensive

supporting reforms in enterprises of some cities and counties to comprehensive supporting reforms in various localities, thus enabling the reform of the three systems to become mutually coordinated and be deeply carried out step-by-step.

Breakthrough progress has been achieved in reform of the labor and employment system. At present, the whole province has 1.293 million contracted workers; 1,659 state-owned enterprises, and 793,000 workers have implemented the all-member labor contract system, accounting for 11.2 percent and 32.6 percent respectively of the total number of state-owned enterprises and workers; 1,388 state-owned enterprises and 331,000 workers have implemented the contracted management system, respectively accounting for 9.4 percent and 13.6 percent of the total number of state-owned enterprises and workers. More than 90 percent of workers in Baoding, Tangshan, Qinhuangdao, Zhangjiakou, and Handan cities have participated in this reform (including the optimization of labor organizations, contracted management, and the labor contract system).

Reform of the wages distribution system has been further developed. Ninety-two percent of state-owned enterprises across the province has implemented the system of "basing an enterprise's total payroll on its economic performance"; and 300 state-owned enterprises and 620,000 workers have implemented the system of giving different wages to cadres in different posts and with different skills, respectively accounting for 4 percent and 25 percent of the total number of state-owned enterprises and workers; this system has affected the basic wages, and 4,178 enterprises and 1.206 million workers have used all or a part of the basic wages and the bonuses to invigorate internal distribution, respectively accounting for 48.8 percent and 54.9 percent of the total number of enterprises and workers.

Reform of the social insurance system has unceasingly improved. About 3.4 million workers of state-owned enterprises and 520,000 retired personnel have participated in the program of setting up an overall insurance fund planned by the province, respectively accounting for 97.8 percent and 98.1 percent of the number of people who should participate in this program; 10 cities under the jurisdiction of the provincial government and 136 counties (cities) have implemented the old-age insurance program of collective enterprises planned by counties (cities); some counties (cities) and enterprises have experimented with the method of encouraging enterprises to supplement old-age insurance and individuals to save their money as their old-age insurance; Baoding, Xingtai, and Handan cities have reformed the base figure of calculating retirement funds and the calculation method in some selected units. We have expanded the scope of unemployment insurance and readjusted the proportion of unemployment insurance funds. At present, more than 20,000 units and 3.4 million workers across the province have participated in unemployment insurance, accounting for 98 percent of the total number of workers. We have also achieved fairly good results in experimenting with the reform of the

industrial injury insurance system, medical insurance system, and female workers' birth insurance system in selected units.

Hebei's Qinhuangdao Attracts Foreign Investment *OW0312100493 Beijing XINHUA in English 0949 GMT 3 Dec 93*

[Text] Shijiazhuang, December 3 (XINHUA)—Investment from overseas has kept growing in Qinhuangdao, a port city in north China's Hebei Province.

In the first nine months of this year some 118 foreign-funded enterprises were registered in the city, about the total in 1992.

Now the city has 332 foreign-funded enterprises, with a total investment of 1.67 billion U.S. dollars.

As one of the first group of 14 coastal open cities approved by the State Council, Qinhuangdao has attracted investors from 25 countries and regions, including Hong Kong, Japan, Taiwan, the United States, the Republic of Korea (ROK), Sri Lanka, Spain, Russia, Mexico, Bolivia and South Africa.

Hong Kong investors are the biggest in the number of firms, and Japan and the ROK are the leaders in investment scale.

An industrial park and a recreation area funded by Japanese firms have a total investment of 150 million U.S. dollars.

In 1984 an economic and technical development zone was founded in the city. With an area of 1.9 sq km as its initial phase, it now has over 490 enterprises, including 113 foreign-funded enterprises.

Approved by the State Council, the zone is now under the second phase construction, covering an area of 10 sq km.

Hebei Warns Against Firecracker Accidents *SK0312061693 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 2 Dec 93*

[Text] The public security department of our province recently sponsored an emergency telephone conference urging public security organs of various localities to immediately check and consolidate shops or plants that are producing fireworks or firecrackers throughout the province so as to block the reoccurrence of explosive incidents caused by fireworks or firecrackers.

Since the beginning of the winter season, our province has seen 18 explosive incidents caused by fireworks or firecrackers and by other factors. These incidents have resulted in 63 deaths, 52 injuries, 137 collapsed rooms in houses, and economic losses of more than 1.3 million yuan.

Northeast Region

Reportage on Liaoning Secretary's Activities

On 'Building Leading Bodies'

SK0112080993 Shenyang LIAONING RIBAO in Chinese
19 Nov 93 pp 1, 2

["Excerpts" of the speech made by Comrade Gu Jinchi, secretary of the provincial party committee, at the provincial conference on building leading bodies' style of thinking and style of work, held on 16 and 17 November"]

[Text]1. Party Committees at All Levels Should Strengthen the Building of Leading Bodies by Regarding It as a Major Event

In strengthening the construction of leading bodies, we should first pay attention to studying the *Selected Works of Deng Xiaoping* to improve the theoretical level of leading bodies. Party organizations at all levels, leading cadres at all levels in particular, must pay high attention to studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. At present, we should regard the study of Volume 3 of the *Selected Works of Deng Xiaoping* as a task of strategic importance and list the study as an important item on the daily agenda. Principal leading cadres must personally attend to and take the lead in studying Deng Xiaoping's works, successfully organize the study among members of their own bodies, and encourage the vast numbers of party members and cadres to study it. The study must be closely combined with the current situation and tasks, with the practice since the start of reform and opening up, with the work realities of respective localities and departments, and with the realities in self-construction of respective leading bodies. Through study, we should emphatically master and profoundly comprehend the strategic ideology and fundamental theoretical viewpoint on building socialism with Chinese characteristics and should learn from Comrade Deng Xiaoping's scientific attitude, creative spirit and revolutionary style of applying the Marxist stand, viewpoints, and methods to research new circumstances and solve new problems. We should be more conscious and steadfast in implementing the party's basic line, should be more able in researching new circumstances and solving new problems, and should make leading bodies and leading cadres at all levels acquire a creativity, foresight, a systematic approach, and a stronger sense of adhering to principles in work.

In strengthening the construction of leading bodies, we must choose good persons and make good use of them. In his speeches made during his south China tour, Comrade Deng Xiaoping reaffirmed the necessity of "choosing and promoting to leading bodies persons with both ability and political integrity in line with the standards of making the cadre ranks more revolutionary, younger in average age, better educated, and professionally more competent." In the course of calling for establishing the socialist market economic system, the 14th party congress also set forth corresponding employment standards. In doing the specific work related to the organizational building of leading

bodies, party committees at all levels should profoundly comprehend, accurately master, and comprehensively implement the employment standards. At any time and under any circumstance, we must choose and employ cadres by persisting in the principle of having both ability and political integrity and by persisting in the line of appointing cadres on their merits. We should not only pay attention to cadres' organizational and professional abilities and their practical achievements in doing the work related to reform, opening up, and economic construction, but also pay attention to cadres' awareness of party spirit, their ideological and political character, and their situation in maintaining administrative honesty and self-discipline. We should not only seek talented people from a wide range of fields, boldly use them, and give them a free hand in work, but also pay attention to strengthening education and the training of cadres.

At present, thanks to the readjustment of the organizations of new terms, leading bodies at all levels in the province have already been furnished with a good organizational foundation. However, due to the changes in the work of principal leading comrades in some cities and counties, the reorganization of leading bodies in cities and counties should continue. Next year, two cities in the province will shift the terms of their people's congresses, governments, and committees of the Chinese People's Political Consultative Conference, and thus these two cities should make good preparations for personnel work this year. In 1995, party committees at the provincial, city, and county levels will shift their terms simultaneously, and they must make preparations for personnel work immediately. Thus far, organizational reform of party and political organs of the province and of various cities, counties, and districts has already begun in an all-round manner. In carrying out organizational reform, some leading bodies need to be readjusted accordingly. Therefore, our task on readjusting leading bodies remains very arduous. In doing this work, we must persist in employment standards in line with the demands of the central authorities and must strengthen and improve the cadre assessment work to ensure the quality of employment.

In improving leading bodies, improvement of ideology and work styles is a fundamental and long-term task. The central authorities held a special meeting not long ago to make clear arrangements for improving the ideology and work styles of leading bodies and to call for efforts to build leading bodies at all levels into strong collectives which are firm politically, brave in reform, realistic and creative in doing work, united and coordinated, and honest and diligent in performing duties, which maintain close ties with the masses, and which comprehensively implement the party's basic line. When improving themselves, leading bodies at all levels must follow the arrangements and requirements of the central authorities and pay close attention to improving ideology and work styles, which is the fundamental task, while bearing in mind the new conditions and new problems cropping up in the process of establishing the market economy system. They should not only address the problems that hinder the fulfillment of the tasks put forward at the 14th party congress and the

establishment and development of the socialist market economy system so as to upgrade their leadership level but also inherit and carry forward the party's fine traditions and work styles to maintain the continuity of the party's line, upgrade their level in administration of state and government affairs, and enhance their unity and combat strength.

In strengthening leading bodies, we should particularly attach importance to the promotion, training, and education of young cadres. In particular, we should achieve success in promoting and training the successors who will span this century and the next. Leading bodies of the previous provincial party committees attached great importance to this work and brought up a large number of young and outstanding backbone leaders at various levels. They not only provided an organizational guarantee for the province's socialist modernization but also provided a number of outstanding cadres to other provinces and central departments. In the future, we must carry forward these good traditions and good work styles and continue the good job in training successors. Currently, we should pay particular attention to the following work: First, we should pay attention to discovering talented people extensively. Party committees at all levels should further emancipate their mind and discover and promote more talented people at the forefront of reform, opening up, and economic construction; should follow the mass line and rely on the masses' recommendation of more talented people; and should have the courage to break rules in promoting young and outstanding personnel. Second, we should create favorable conditions in various fields to foster talented people. Regarding young cadres, we should hold special training for them and intensify their education on the basic Marxist theory and the party's fine traditions and work styles. Meanwhile, we should enable them to undergo training through practice in various fields. When promoting administrative leading cadres or leading cadres in charge of party affairs in the future, we should pay attention to promoting the comrades who have experience both in administrative leadership and in party affairs. We should make utmost efforts to avoid promoting cadres from one administrative department to another or from one post in charge of party affairs to another. Third, party committees at all levels should select a number of more mature personnel who may be promoted to leading bodies in the near future to train them on a priority basis. Meanwhile, they should also select a number of still younger cadres who may span to the next century to train them as early as possible.

2. We Should Work Hard Together and Carry Out Practical Work with Earnest Efforts

Structural reform of the economy has entered a period when most difficult problems will be tackled. Conspicuous contradictions are focalized on how state-owned, large and medium-sized enterprises should successfully transform their operating mechanisms, truly enter the market, and truly play a leading role in the market economy. The new situation and new tasks set a new demand on our province

to conscientiously attain success in the reform of state-owned, large and medium-sized enterprises. Coincidentally, various works were reformed in order to explore and provide experiences for our country to establish a new economic structure in the initial form by the end of this century and in order to make new contributions to China's socialist modernization. All party organizations, leading bodies, and leading cadres in the province should enhance the sense of responsibility and urgency, inherit and carry forward the glorious traditions Liaoning created in the first pioneering program, strive to make Liaoning's work successful, and continuously accelerate its reform, opening up, and economic construction.

To conscientiously perform our responsibility and fully develop the province's advantages, the key lies in the unity of leading bodies at all levels and in pooling and mobilizing the efforts of all quarters. Comrade Jiang Zemin pointed out at the first plenary session of the 14th party Central Committee that "unity meets our basic interests, and unity is strength," and that "unity can create cohesive force, combat strength, and new productive forces." He also emphasized particularly that "stressing unity, solidarity, and consideration to overall situation is the basic demand on leading cadres at all levels," and that "every true communist party member must possess such political character and abide by such political discipline." Leading bodies and leading cadres at all levels must conscientiously study and thoroughly understand the guidelines of Comrade Jiang Zemin's speech, earnestly follow the guidelines, and work hard together and carry out solid work with earnest efforts to build and develop Liaoning.

To work hard together and carry out solid work with earnest efforts, we should, first, rely on Marxism-Leninism-Mao Zedong thought and Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to unify people's thinking and uplift their spirit. This is an important ideological foundation and also the basic issue leading bodies should resolve if they are to improve ideology and work styles.

Second, we should rely on unswerving implementation of the party's principle of democratic centralism. This is the basic guarantee. Comrade Deng Xiaoping once said that democratic centralism is the fundamental system of our party and state and is the most convenient and most reasonable system, which should never be abandoned. Party organizations and leading cadres at all levels should profoundly understand this issue from a strategic perspective, resolutely act according to the party's principle of democratic centralism, give consideration to the overall situation, safeguard unity, strictly abide by discipline, and carry out all orders and prohibitions. Activities in defiance of the organization and discipline, such as working out countermeasures against policies from higher levels, going one's own way, and letting only one person have the final say must never be permitted. In this way, we should build leading bodies at all levels into strong, combat effective collectives.

Third, we should rely on the improvement of party spirit to improve the quality of individuals. This is an important

condition to promoting unity, pooling efforts, and fully developing the overall functions of leading bodies. The quality of individuals is the basis for the lack of coordination and balance in relations, and the lack of unity in some leading bodies. Therefore, improving party spirit and advocating mutual respect, mutual understanding, mutual support, and mutual coordination are prominent issues leading bodies should pay attention to when making efforts to improve themselves. Members of leading bodies should pay more attention to others' strong points and use them to balance out their own deficiencies. When doing work, they should communicate and discuss more with each other to have fewer misgivings towards others and find fewer faults in them. Heads of leading bodies should be good at relying on their members, and members should respect their heads. In this way, we should create a situation throughout the province where people are united and working hard.

Fourth, we should rely on development of the party's traditional fine work styles and its purpose to serve the people wholeheartedly to maintain close ties with the masses. This is the source of the party's strength. Only by maintaining close ties with the masses can leading bodies at all levels muster efforts, enhance their appeal, and mobilize and lead the people to work hard.

At present, some leading cadres have discarded the party's fine traditions and the work style of plain living and arduous struggle and deviated far away from the masses. It is impossible for these cadres to have prestige and these leading bodies to have fighting strength. Therefore, leading cadres at all levels must never forget the party's purpose, always bear the masses of people in mind, consciously participate in the anticorruption struggle, always keep themselves clean and self-disciplined, set examples in performing their work diligently and honestly and win real support and trust from the masses of people.

3. We Should Strengthen Leadership and Firmly Implement Our Work

The Third Plenary Session of the 14th CPC Central Committee has issued a decision on some major issues concerning the establishment of the socialist market economic system. As far as the whole province is concerned, at present, we should accelerate the building of the market system in close connection with the implementation of the third plenary session guidelines, continue to deepen enterprise reform and do a good job in running state-owned, large and medium-sized enterprises; pay attention to reform in the banking, financial, taxation, and investment systems; implement the guidelines of the central rural work conference well and continue to deepen the reform of the rural economic system; do a good job in organizational reform and make preparations for implementing the public servant system; grasp anticorruption struggle and strive to realize the expected objectives. It is hoped that all localities and departments will act in line with the central guidelines and the demands of the provincial party committee, make good arrangements for the work of their own localities and departments, mobilize the strength of all sectors and try by all possible means to fulfill the work plan set at the beginning of this year.

The key to successfully fulfilling these tasks lies in our efforts to grasp the work of building leading bodies well. Party committees at all levels must realistically assume responsibility and establish the system of making each level grasp the work of the next level and top leaders of each level manage top leaders of the next level. When inspecting the work of the grass roots and doing investigations and studies, we must concern ourselves with the situation of the ideology and work style of the leading bodies of the next level, discover problems in a timely manner and help study ways of solving problems. Regarding the demands put forward by Comrade Huaiyuan at this conference on behalf of the the provincial party committee, all localities must conscientiously study them, and must not finish the work by simply holding a meeting to relay the guidelines. Instead, they should adopt practical measures to implement the demands in line with local reality.

To guarantee the fulfillment of all our work tasks, we must rely on the grass-roots organizations to mobilize and organize the broad masses of party members and people to work hard and to engage in arduous struggle. Therefore, party committees at all levels must pay great attention to and realistically grasp the building of the party's grass-roots organizations. At present, some grass-roots organizations have failed to play a good role. The responsibilities should not all be affixed on the lower levels. Some of our party members have also failed to conscientiously grasp this work. Party committees at all levels must have a clear understanding, recognize the current problems of building the grass-roots organizations and exert efforts to grasp the building of grass-roots organizations well.

Party committees at all levels should strengthen leadership over organizational work, pay attention to building the organizational departments and give full play to the role of organizational departments. Organizational departments at all levels should grasp the building of their leading bodies and the work of building grass-roots organizations under the leadership of the party committees well. In managing cadres, we should do a good job in managing the readjustment and replenishment of cadres and pay attention to their ideology and work style.

Inspects Tieling City

*SK0312021693 Shenyang Liaoning People's Radio
Network in Mandarin 1000 GMT 2 Dec 93*

[Text] Gu Jinchi, secretary of the provincial party committee, made an inspection tour of Tieling city on 30 November and 1 December. He stressed: Development is a constant principle, and the economy is interrelated with development. While grasping the emphasis, we should avoid attending to one and losing sight of the other.

Gu Jinchi went to Youyi village in Tieling to inspect a joint venture enterprise run by peasants and foreign traders and some state-owned enterprises in Tieling. He also listened to the report made by a leading comrade of Tieling.

Then, he said: Over recent years, Tieling has paid attention to developing township and town enterprises and has

formulated many policies and measures to ensure development, thus achieving great results. He added: The heavy burden on peasants has resulted, in the final analysis, from the failure in developing township and town enterprises. Tieling should strengthen the deep processing of agricultural and sideline products, which can be combined by the renovation of old enterprises.

He emphatically pointed out. From now on, we should regard state-owned enterprises as the focus of our studies and make an even greater effort to accelerate reform. For the enterprises of the city level, we should dissect them one by one and then map out ways to solve their problems.

In Tieling, Gu Jinchu also viewed the memorial hall where Comrade Zhou Enlai studied when he was a boy. He wrote an inscription for the hall, reading "Premier Zhou Lives in Our Hearts Forever."

Liaoning Propaganda Department Directors Meet

*SK0212134093 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 1 Dec 93*

[Text] The provincial meeting of propaganda department directors ended on 1 December. Gu Jinchu, secretary of the provincial party committee, gave an important speech on how to give full play to the role of propaganda and public opinions and to serve economic construction under the new market economic situation.

Gu Jinchu said: Propaganda and public opinions are very important fronts. At present, we should stress using Comrade Deng Xiaoping's theory on building socialism with

Chinese characteristics to arm the entire party and the people across the country and comprehensively publicize and implement the guidelines of the third plenary session of the 14th CPC Central Committee. Propaganda workers should further emancipate their minds, seek truth from facts, act in line with Liaoning's reality, pay attention to the key points and do a good job in the propaganda and media work.

He said: Propaganda and public opinions must play a role in guiding and encouraging the people. It is necessary to mainly conduct propaganda with positive examples with guidance as a supplement in order to prevent wrong guidance. We must change passive things into positive ones, uphold the ideological line of emancipating the mind and seeking truth from facts and adhere to one central task and two basic points. He called on propaganda workers to cultivate an active work attitude and a realistic approach and go deeply to the reality to conduct investigations and studies.

At the end of his speech, he expressed hope that comrades of the propaganda and media departments would further implement the principle of regarding economic construction as the central task and that development is the established theory in places where needed, explore new ideas in propaganda work, enhance the specification and the actual effect of propaganda and public opinions, raise the propaganda quality, and better serve Liaoning's economic construction, reform, and opening up.

Official on Beijing-Moscow Military Cooperation

OW0212135793 Taipei CNA in English 1335 GMT
2 Dec 93

[By Benjamin Yeh]

[Text] Taipei, Dec. 2 (CNA)—The signing of a military cooperation agreement between Mainland China and Russia last month poses a threat to stability in the Taiwan Strait region and the whole world, Huang Kun-hui, chairman of the Mainland Affairs Council [MAC], warned Thursday.

Beijing and Moscow inked the five-year pact, under which ranking military officers of the two countries will exchange regular visits, in early November. Russia has also promised to help the mainland modernize its military hardware.

The agreement also stipulates that the two superpowers need to notify each other prior to mass military exercises along their common border.

Beijing, Huang analyzed, will greatly benefit from the accord because it has dedicated itself to a military build-up. "The subsequent impact on the delicate military balance across the Taiwan Strait is worthy of special concern," Huang said.

As for Russia, Huang said the agreement would not only allow it to help check the military strength of the United States, but also bring in badly-needed hard currency.

East Asia Economic Caucus To Invite Taipei

OW0312085193 Taipei CNA in English 0757 GMT
3 Dec 93

[By Debbie Kuo]

[Text] Taipei, Dec. 3 (CNA)—The Republic of China [ROC] will be invited to join Mainland China, Japan, and South Korea, among others, to become a founding member of the East Asia Economic Caucus (EAEC) expected to be established next year, a Ministry of Foreign Affairs official said Thursday [3 December].

Ajit Singh, secretary-general of the Association for South-east Asian Nations (ASEAN), will visit Taipei early next year to lobby for Taipei's support for the founding of the EAEC. P.Y. Teng, director of East Asian & Pacific Affairs said.

Singh will be the highest ranking ASEAN official ever to visit Taipei.

Taipei will also take the opportunity of Singh's visit to express its intention to become a dialogue partner of ASEAN for economic affairs, Teng said.

The EAEC, initiated by President Mohamed Mahathir of Malaysia some two years ago, will be a sub-group of the Asia-Pacific Economic Cooperation (APEC) forum with a large Asian influence.

A consensus was reached by ASEAN economics ministers during a meeting in October that all ASEAN member nations support the establishment of the EAEC.

Other Asian nations, including Japan, Mainland China, and South Korea will be invited to join in, the ASEAN ministers decided.

So far, United States reaction to the plan has been lukewarm, and Beijing has posted a wait-and-see attitude.

Meanwhile, Teng said, the Council for Security Cooperation in Asia-Pacific (CSCAP), a research group for strategy studies in the Asia-Pacific, is meeting later this month in Bali, Indonesia.

CSCAP members include the United States, Japan, South Korea and ASEAN. Taiwan is not a member of CSCAP, but has been invited to take part in the upcoming meeting in Bali.

Dr. Lin Bih-jaw, director of National Chengchi University's Institute of International Relations, will lead the Taiwan delegation to the meeting.

Japanese Trade Official To Visit for Meeting

OW0212150493 Taipei CNA in English 1348 GMT
2 Dec 93

[By Danielle Yang]

[Text] Taipei, Dec. 2 (CNA)—Yoshihiro Sakamoto, Japan's trade and industry policy planning bureau chief, will arrive in Taipei Friday [3 December] to begin talks on Japan's widening trade surplus with Taiwan.

The bureau is under Japan's Ministry of International Trade and Industry.

Sakamoto, the highest-ranking Japanese official to visit Taipei since the Morihiro Hosokawa cabinet was formed, will lead a five-member delegation.

The five-member Japanese group will attend a dinner banquet hosted by C.F. Ku, chief delegate of the Chinese Committee on East Asia Businessmen Conference. Economics Minister P.K. Chiang and Deputy Director-General Lin Yi-fu of the Board of Foreign Trade will also be present.

Meanwhile, Japan's Interchange Association president Reijiro Hattori will lead a civic group to Taiwan Sunday for the 21st East Asia Economic Conference.

More than 70 ROC entrepreneurs, led by C.F. Ku, will discuss ROC-Japan economic and trade relations.

Taipei Hosts New Zealand Trade Officials

OW0112155593 Taipei CNA in English 1400 GMT
1 Dec 93

[By Bear Li]

[Text] Taipei, Dec. 1 (CNA)—Officials of the Republic of China [ROC] and New Zealand will meet here Thursday to discuss economic and trade exchanges between the two nations.

Director General Huang En-chao of the Board of Foreign Trade and New Zealand Deputy Trade Minister [word indistinct] Wood will be the chief negotiators for the two

sides during the talks. The two nations held their first negotiations last December in Wellington.

Major topics will include economic, trade, technology and investment cooperation and protection of intellectual property rights, as well as Taiwan's tariff on New Zealand beef and its import quota on New Zealand apples, the board said.

According to the New Zealand Commerce and Industry Office in Taipei, Taiwan was New Zealand's sixth largest trade partner with two-way trade reaching over US\$500 million last year.

Taiwan is also one of New Zealand's major tourist sources. More than 45,000 Taiwanese are expected to travel there this year.

Officials Sign Memorandum

OW0212150693 Taipei CNA in English 1408 GMT
2 Dec 93

[By Bear Li]

[Text] Taipei, Dec. 2 (CNA)—Officials from the Republic of China [ROC] and New Zealand have agreed to enhance trade and economic exchanges between the two nations.

This was the result of the second round of ROC-New Zealand trade consultations Thursday [2 December]. The first round of talks was held last December in Wellington.

Topics discussed in the one-day meeting included economic, trade, technology and investment cooperation, protection of intellectual property rights, Taiwan's tariff on New Zealand beef, and its import quota on New Zealand apples. Issues related to the General Agreement on Tariffs and Trade and the Asia-Pacific Economic Cooperation forum were also raised.

In a ceremony following the end of the talks, Huang Yen-chao, director-general of the ROC's Board of Foreign Trade, and Bill W.K. Brude, director of the New Zealand Commerce and Industry Office in Taipei, signed a memorandum of understanding on temporary customs clearance on behalf of their respective governments.

According to the New Zealand office, Taiwan was New Zealand's sixth largest trade partner last year, with two-way trade surpassing U.S.\$500 million in value.

Taiwan is also one of New Zealand's major tourist sources. More than 45,000 Taiwanese are expected to travel there this year.

Taipei Names New Ambassador to Paraguay

OW0112143193 Taipei CNA in English 1348 GMT
1 Dec 93

[Text] Taipei, Dec. 1 (CNA)—Augustin Liu, incumbent secretary general of the China External Trade Development Council, was appointed new ambassador of the Republic of China [ROC] to Paraguay Wednesday.

Liu, 61, will take over from current Ambassador Kou Tsung-chin, who has resigned.

Liu has held important posts in ROC government agencies. He previously served as secretary to the ROC embassy in Paraguay, commercial attache to the Taipei Economic and Cultural Office in Santiago, Chile and trade division director of the Coordination Council for North American Affairs office in Los Angeles.

German Foreign Minister Discusses Bilateral Ties

OW0312085093 Taipei CNA in English 0823 GMT
3 Dec 93

[By C. L. Chung and Lilian Wu]

[Text] Bonn, Dec. 2 (CNA)—Foreign Minister Klaus Kinkel said Germany will do everything possible to improve relations with Taiwan, as long as the improvements do not affect German interests in Mainland China, several German parliamentarians revealed Thursday [3 December].

Kinkel added, however, that Germany will not overturn its prohibitions on submarine sales to Taiwan in an effort to improve relations.

During a meeting with four Bundestag members, Kinkel said he would not oppose German ministerial-level officials in charge of technical affairs in the federal government to meet their counterparts from Taiwan.

But Kinkel said that Germany will not consider upgrading the Taipei Economic and Cultural Office in Bonn to a representative office.

The Bundestag members met with Kinkel to discuss Taiwan-German relations. All four asked Kinkel to help remove political hurdles preventing increased ties between the two countries.

They said Kinkel stressed Germany will not reverse its stance prohibiting sales of submarines to Taiwan, but he promised to do his best to help German enterprises increase exports to Taiwan.

On bilateral ties, Bernd Reuter of the Social Democrats (SPD) complained that the Republic of China [ROC]'s minister of transportation and communications, on a recent visit, was unable to meet his German counterpart because of intervention from the Foreign Ministry.

Reuter said that if the German Government continues to remain stiff in its diplomacy, it will not be too much of a surprise if German manufacturers lose to French competitors in a bidding war for the construction of the Taiwan high-speed rail project.

Wolfgang Luder of the Free Democratic Party (FDP) also conveyed to Kinkel Taiwan's wish to rejoin the United Nations.

Luder noted that Taiwan has made tremendous progress toward democracy and Taiwan's opposition Democratic Progressive Party has lobbied strongly to join the world body. As a sister party of Taiwan's DPP, he believed that free democratic party should support Taiwan's cause.

Klaus Buhler of the Christian Democratic Union (CDU) spoke of direct flights between Taiwan and Germany. He

noted that Taiwan's Mandarin Airlines and Germany's Condor Airlines are now operating the route. But confusion has arisen as they cannot use the flight numbers of their parent companies, China Airlines and Lufthansa German airlines.

Axel Cornelius Sommer, director of the Foreign Ministry's department of East Asia, said the solution to the problem hinges on Mainland China.

Scholar on 'Intense' Cross-Strait Competition

OW0112085993 Taipei CNA in English 0806 GMT
1 Dec 93

[By Bruce Gilley]

[Text] Hong Kong, Nov. 30 (CNA)—The era of gentlemanly economic cooperation between Mainland China and Taiwan has given way to intense competition between the cross-Taiwan Strait rivals, according to Wang Jianmin, a researcher at the Taiwan Research Institute of the China Academy of Social Sciences.

Writing in the latest edition of ECONOMIC REPORTER magazine, Wang said despite the huge disparity in the size of the two economies, exports from Mainland China and Taiwan are competing neck-in-neck in foreign markets.

And the mainland has recently started winning, he added.

In 1992, mainland exports to the U.S. exceeded those from Taiwan for the first time, taking 4.87 percent versus 4.70 percent of the U.S. market, he said.

"Not only has the mainland basically replaced the position of Taiwan's labor-intensive products in the U.S. market, but cross-strait competition in relatively high-technology industrial products has also begun," he explained.

The same situation exists in Japan, where the mainland now has an overall market share of 7.28 percent versus Taiwan's 4.09 percent, he added.

Institute Reports Impact of Overseas Investment

OW2911162893 Taipei CNA in English 1428 GMT
29 Nov 93

[By Flor Wang]

[Text] Taipei, Nov. 29 (CNA)—The increasing amount of Taiwan investment in Mainland China and Southeast Asian countries has had a negative effect on the nation's overall economy, the Taiwan Institute of Economic Research said.

Taiwan investment in Mainland China, Thailand, Indonesia, the Philippines and Malaysia caused the local manufacturing sector to lose an estimated US\$8 billion in business during 1991 and 1992 and triggered a US\$10 billion decline in the nation's industrial output level during the same period, according to a survey released by the institute Monday [29 November].

The institute, commissioned by the Industrial Development Bureau, has been tracking the impact of capital outflow on Taiwan's industries and its economy since July

1992 and will continue to do so until June 1997. The just-released report is based on 1991 statistics.

The survey says Taiwan's investment in Mainland China and the four Southeast Asian countries in 1991 totaled US\$33.2 billion, resulting in a loss of around US\$4 billion to Taiwan's manufacturing sector that year and the same amount in 1992.

According to the survey, investment by local businesses in Thailand, Malaysia, and Indonesia in 1991 caused losses of US\$1 billion, US\$1.84 billion and US\$1.1 billion respectively in Taiwan's total production value. Investment in the Philippines also caused the nation's total output to fall by US\$8.8 million. Taiwan's investment in the mainland, meanwhile, contributed a US\$400 million decrease in the overall industrial production value, mainly in the manufacturing sector.

Although the continued capital outflow has had a negative impact on Taiwan's job market, manufacturing sector, and exports, it has also helped enhance the nation's industrial level and has led to rising incomes, the institute said.

Lien Chan Addresses Information Exhibition

OW0312083293 Taipei CNA in English 0750 GMT
3 Dec 93

[By Y. C. Tsai]

[Text] Taipei, Dec. 3 (CNA)—An exhibition marking the kickoff of the 1993 information month opened at the Taipei World Trade center Friday [3 December].

A total of 189 companies are displaying their products at the 12th annual show, which will run through Dec. 12.

This year's exhibition is divided into seven pavilions, including a main theme hall, software hall, national defense hall, telecommunications hall, industrial research hall, products exhibition hall and an information culture street.

With the theme "advancing toward an information society—accelerating computerization of small and medium businesses," the event aims to promote the computerization of small and medium businesses, the development of software packages, and the protection of intellectual property rights.

Addressing the opening ceremony, Premier Lien Chan called on Taiwan manufacturers to adapt to the coming computer age. Business computerization will certainly raise the competitiveness of Taiwan products, he stressed.

Vice Premier Hsu Li-teh said that information month activities have contributed greatly to the growth of Taiwan's information industry.

Touted as "the kingdom of information," Taiwan accumulated its strength through combined forces of the government and the private sector in the past decade, Hsu noted.

Economic Affairs Minister P.K. Chiang pointed out that Taiwan's information sector has replaced labor-intensive industries as a major foreign exchange earner.

Exports of information products neared US\$9 billion so far this year, he added.

Moreover, he said, while the worldwide information industry grew at an average rate of 4 percent last year, Taiwan posted a substantial gain of 11 percent. The growth is expected to top 14 percent this year.

The minister therefore called on the domestic information industry to continue their efforts with a view to working for more profits and a more advanced society.

Similar shows will also be held at the Taichung World Trade Center Dec. 17-22 and Kaohsiung's Chiang Kai-shek Stadium Dec. 28- Jan. 4.

Information month activities also include a series of seminars on information technology and application.

Breakdown of Voting Percentages in Elections

OW0312012293

[Editorial Report] Taipei CHUNG YANG JIH PAO in Chinese on 29 November publishes on page 4 a chart of graphs on votes for the Kuomintang (KMT), the Democratic Progressive Party (DPP), the New Party (NP), and independent candidates (IDPT) in the mayoral and county elections in Taiwan and Fukien Provinces held on 27 November. The graphs break down the percentage of votes for KMT, DPP, NP, and IDPT for each county or city:

Taipei County: DPP, 47 percent; KMT, 36 percent; NP, 16 percent; and IDPT, 1 percent.

Taoyuan County: KMT, 40 percent; DPP, 36 percent; and IDPT, 24 percent.

Hsinchu County: DPP, 50 percent; KMT, 43 percent; IDPT, 7 percent.

Miaoli County: IDPT, 41 percent; KMT, 34 percent; and DPP, 25 percent.

Taichung County: KMT, 59 percent; and DPP, 41 percent.

Nantou County: KMT, 50 percent; IDPT, 29 percent; and DPP, 21 percent.

Changhua County: KMT 53 percent; DPP, 41 percent; and IDPT, 6 percent.

Yunlin County: KMT, 53 percent; and DPP, 47 percent.

Chiai County: KMT, 66 percent; DPP, 33 percent; and IDPT, 1 percent.

Tainan County: DPP, 54 percent; KMT, 43 percent; and IDPT, 3 percent.

Kaohsiung County: DPP, 51 percent; KMT, 47 percent; and IDPT, 2 percent.

Pingtung County: KMT, 51 percent; DPP, 48 percent; and IDPT, 1 percent.

Penghu County: DPP, 58 percent; and KMT, 42 percent.

Ilan County: DPP, 58 percent; KMT, 40 percent; and IDPT, 2 percent.

Hualien County: KMT, 60 percent; DPP, 31 percent; and IDPT, 9 percent.

Taitung County: KMT, 69 percent; and IDPT, 31 percent.

Keelung city: KMT, 55 percent; and DPP, 45 percent.

Hsinchu city: KMT, 55 percent; DPP, 27 percent; NP, 10 percent; and IDPT, 8 percent.

Taichung city: KMT, 58 percent; and DPP, 42 percent.

Chiai city: IDPT, 57 percent; and KMT, 43 percent.

Tainan city: KMY, 46 percent; DPP, 30 percent; IDPT, 23 percent; and Protecting People's Party (pao min tang 0202 3046 8093), 1 percent.

Kinmen County: KMT, 100 percent.

Lienchiang County: KMT, 100 percent.

State Plans Growth for Manufacturing Sector

OW3011092893 Taipei CNA in English 0746 GMT
30 Nov 93

[By Y.C. Tsai]

[Text] Taipei, Nov. 30 (CNA)— Taiwan's manufacturing sector is targeted to grow 4.5 percent next year, according to an economic development plan unveiled by the Council for Economic Planning and Development (CEPD) Tuesday [30 November].

The growth will represent an increase of 1.4 percentage points over the 1993 target.

Under the 1994 plan, industrial sector expansion is set at 5.4 percent, up 0.9 percentage points over 1993, while that for the service sector is estimated to shrink 0.6 percentage points to 7.4 percent.

CEPD officials said the growing signs of worldwide economic upturn, which is expected to fuel strong demand from abroad, have prompted the government to set higher growth for both manufacturing and industrial sectors.

Meanwhile, the officials noted, the service sector will remain the driving force behind Taiwan's predicted 6.2 percent economic growth for 1994.

The targeted 7.4 percent gain for the service sector is expected to push up its share of the gross domestic product (GDP) to 56.4 percent, slightly greater than 55.9 percent this year.

GDP measures a country's total production of goods and services but excludes income that people and companies earn abroad. Gross National Product (GNP) includes income earned from businesses abroad.

The economic development blueprint puts the 1994 expansion for commerce at the highest 7.9 percent among all service industries in view of the prospects for "steady expansion" of foreign trade, the officials pointed out.

In addition, they said, the government's continued efforts in pushing for financial liberalization are estimated to drive up the insurance sector as well as the transportation

and telecommunications sector by 7.6 percent and 7.2 percent respectively.

The agricultural sector, which has been on the decline in recent years, is expected to post zero growth next year, up from this year's 1.6 percent growth decline. Farm output, however, will account for 3.2 percent of Taiwan's 1994 GDP, lower than this year's 3.4 percent.

Hong Kong

XINHUA Spokesman on Patten's Reform Bill

Bill 'Absolutely Unacceptable'

OW0312120293 Beijing XINHUA in English 1149 GMT 3 Dec 93

[Text] Beijing, December 3 (XINHUA)—China will not accept any electoral bill passed by the Legislative Council (Legco) and will start a "new kitchen" according to the Basic Law after 1997.

This statement was made by a spokesman of the Hong Kong and Macao Affairs Office under the State Council here today following the announcement made by Hong Kong Governor Chris Patten yesterday that he would gazette his partial reform bill regarding the 1994/95 election on December 10 and submit it to the Legislative Council of Hong Kong on December 15.

The spokesman said that, in disregard of the repeated admonitions by the Chinese side, the British Hong Kong authorities have decided to submit the partial constitutional package to the Legco before any agreement is reached between the Chinese and British sides and this decision is "absolutely unacceptable" to the Chinese side.

He said that the Chinese Government has always worked sincerely on the arrangements of the 1994/95 election and made "utmost efforts" for reaching a final agreement.

But, the talks progressed painfully slow because the British side, showing no sincerity at all throughout the talks and casting aside the long-term interests of the six million Hong Kong residents, had insisted on "Patten's constitutional package" which is extremely harmful to the stability and prosperity of Hong Kong.

After reviewing the long process of the talks, the spokesman said that the latest decision by the British Hong Kong authorities means the unilateral termination of the talks by the British side.

The spokesman reiterated that the Chinese side will never accept any electoral bill passed by the Legislative Council of Hong Kong before any agreement is reached between the Chinese and British sides and that China will start "a new kitchen" after 1997 in accordance with the provisions of the Hong Kong Basic Law.

The spokesman said that the Chinese Government has always set great store by the long term interests of the six million Hong Kong people and will, as always, work together with Hong Kong compatriots to maintain the stability and prosperity of Hong Kong, to ensure smooth transition of power in 1997 and to implement the Basic Law.

Decisions Must Be by 'Consensus'

OW0212134393 Beijing XINHUA Domestic Service in Chinese 1250 GMT 2 Dec 93

[Text] Hong Kong, 2 Dec (XINHUA)—In a statement on the announcement today by Hong Kong Governor Chris Patten of his decision to gazette part of his so-called

"political reform package" and to submit it to the Legislative Council [Legco] for discussion, a spokesperson from the XINHUA NEWS AGENCY's Hong Kong branch said: "The arrangements for the 1994-95 elections in Hong Kong are a major issue involving the transition to 1997 and must be based on consensus reached through negotiations between the Chinese and British Governments. This is an important matter of political principle, as well as a provision in the Basic Law. Recently, as a result of the unreasonable demands persistently made by the United Kingdom, China and the UK were unable to reach an agreement on arrangements for district board elections in Hong Kong during the 17th round of talks. In the absence of an agreement between the two sides, the UK blatantly and unilaterally initiated legislative proceedings and submitted the so-called political reform package to Hong Kong's Legco for discussion, thereby deliberately placing Legco above the Chinese and British Governments. This is a very serious step taken by the UK to undermine the talks intentionally, and it signifies a complete breakdown of the talks. Responsibility for such a serious development rests entirely with the UK. The UK must be held responsible for all consequences arising from this development."

UK Accused of 'Sabotage'

HK0212150093 Beijing ZHONGGUO XINWEN SHE in English 1430 GMT 2 Dec 93

[Text] Hong Kong, December 2 (CNS)—Spokesman of the Hong Kong Branch of the NEW CHINA NEWS AGENCY [XINHUA] spoke today on Hong Kong Governor Patten's decision to publish part of the political reform scheme in the Government Gazette and to submit it to the Legislative Council for discussion.

The full text of the spokesman's remarks is as follows:

The arrangements for the 1994/1995 elections in Hong Kong is an important matter involving the transition to 1997 and must be agreed upon by the Chinese and British Governments through consultation. This is an important political principle and is stipulated in the Basic law. The recently-held 17th round of Sino-British talks failed to reach an agreement on the election arrangements for the regional organizations since the British side insisted on making unreasonable requests. At this critical moment the British side alone has stopped the talks on this matter and under the circumstances of not reaching an agreement by the two sides, suddenly adopted legislative action by submitting the so-called political reform scheme to the Hong Kong Legislative Council for discussion, putting the council above the two countries' governments. This is a very serious step deliberately taken by the British side to sabotage the talks and means the breaking off of the whole talks. The responsibility for this serious situation rests entirely on the British side and the British side must bear the outcome deriving from this action.

Reform To 'Undermine' Talks

OW0212161093 Beijing XINHUA in English 1546 GMT 2 Dec 93

[Text] Hong Kong, December 2 (XINHUA)—The tabling of the political reform package of the Hong Kong governor

to the Legislative Council would represent a very serious step to undermine the Sino-British talks and mean the breakdown of the whole talks.

"The British should be held responsible for this and all the possible consequences therefrom," a spokesman for XINHUA NEWS AGENCY Hong Kong branch said here this evening.

The spokesman made the statement in response to Hong Kong Governor Chris Patten's announcement today that he would submit part of his electoral reform package to the Legislative Council of Hong Kong for discussion in mid-December.

The spokesman said that it was because of Britain's insistence on its unreasonable demands that the 17th round of Sino-British failed to reach an agreement on the electoral arrangements for Hong Kong's regional organizations.

In this critical moment, he said, the British side took the unilateral action to table the political bill to the Legislative Council for discussion without any agreement with the Chinese side. This represents its determination to place the Legislative Council above the Chinese and British Governments, he said.

He said that the arrangements on the 1994-95 elections in Hong Kong is an important issue for which an agreement should be made between the Chinese and British Governments through negotiations.

"This is an important political principle which is set in the Basic Law of the future Hong Kong Special Administrative Region," the spokesman added.

Lu Ping Comments on Patten's Reform Bill, Talks

Bill Means Talks' 'Termination'

OW0212144293 Beijing XINHUA Domestic Service in Chinese 1302 GMT 2 Dec 93

[By reporters Duanmu Laidi (4551 2606 0171 1229) and Gao Jianxi (7559 1696 2450)]

[Text] Beijing, 2 Dec (XINHUA)—Lu Ping, director of the State Council Hong Kong and Macao Affairs Office, stressed here that if the British side submit the "political reform package" to the Legislative Council, it would mean unilateral termination [zhong zhi 4807 2972] of the talks by the British side. The responsibility for terminating the talks rests entirely with the British.

Lu Ping met with a 20-member delegation from the Hong Kong Alliance for Democratic Construction of Hong Kong led by Zeng Yucheng at the Hong Kong and Macao Center today. Lu Ping and the delegation exchanged views on the Sino-British talks.

Lu Ping said: We are very disappointed at the failure to reach agreement in the Sino-British talks. However, we are not surprised. This is because the British side was not sincere toward the talks from the very beginning. To maintain Hong Kong's prosperity and stability, and to seek its smooth transition in 1997, the Chinese Government,

proceeding from the long-term interests of the 6 million Hong Kong people, has made utmost efforts in the talks to try to reach an agreement beneficial to Hong Kong's future. However, at the 17th round of talks, the British side decided not to hold further talks on account of a technical issue, thereby breaking them off. This was also as we had expected, because the British side had no sincerity all along.

Lu Ping said: I am very heavy hearted. The British action completely ignores the interests of the 6 million Hong Kong people. Seventeen rounds of talks have been held between China and Britain. The two sides practically reached agreement on the electoral arrangements for a regional parliament and two city administrative bureaus, and on voting age, voting method, and the system of appointment. However, the British side again deliberately complicated the issue, proposing to employ single seat and single- vote systems in the 1995 Legislative Council's elections, too. We hold that this is a specific issue. Elections of the district boards and the two municipal bodies should be discussed first, and the method of electing the Legislative Council may be resolved when election arrangements for 1995 are discussed. However, in his speech at the Legislative Council in Hong Kong today, Patten stressed that it was out of political and practical consideration that he had done what he has. Actually this cannot hold water. It is a technical question, and it is entirely unnecessary to allow one specific issue to cause the break up of the negotiations. This shows the British side deliberately undermined the talks.

Lu Ping said: As early as 7 April when the Chinese and British sides were discussing arrangements for negotiations on the 1994/1995 elections issue, the Chinese Government explicitly told the British side that if it submits the "political reform program" to the Legislative Council in the absence of an agreement reached between the Chinese and British sides, the Chinese side will take it to mean a unilateral termination of negotiations by the British side. We still adhere to this principle. Today, Patten also proposed the holding of the 18th round of negotiations. In fact, he is only making a gesture; he is playing tricks, adopting a strategy of negotiating while carrying on discussions at the Legislative Council, and resorting to legislation to put pressure on us. We will never be taken in by his tricks.

In conclusion, Lu Ping said: The Chinese Government will do everything possible to maintain economic development and social stability in Hong Kong, and to ensure its smooth transition. We should look into the future not only for dozens of years but for 100 years. It is our bound duty to ensure that the Hong Kong after 1997 still remains a Hong Kong of prosperity and stability.

The delegation from the Hong Kong Alliance for Democratic Construction of Hong Kong arrived by invitation in Beijing on 1 December for a three-day visit.

UK To Be Held 'Responsible'

OW0212162793 Beijing XINHUA in English 1556 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—If the British side should insist on submitting the electoral bill to the Legislative Council (Legco) of Hong Kong before any agreement is reached between the Chinese and British sides, it means the unilateral termination of the talks by the British side and the British side would be held totally responsible.

The statement was made here today by Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council, during his meeting with a 20-member delegation from the Democratic Alliance for the Betterment of Hong Kong headed by Tsang Yok-sing.

Lu said that he was disappointed but not surprised at the failure to reach any agreement in the Sino-British talks.

"The British side showed no sincerity at all from the very beginning of the talks," he said.

Lu said that in order to maintain the prosperity and stability of Hong Kong and ensure a smooth transition of Hong Kong in 1997, the Chinese Government has, proceeding from the long-term interests of the six million people in Hong Kong, done its utmost in the talks, trying to reach an agreement beneficial to the future of Hong Kong, but the British side refused to talk any more merely for a technical issue during the 17th round of talks.

"That was what had been expected," Lu noted. "For the British side has shown no sincerity at all throughout the talks."

Lu Ping said that he felt very heavy-hearted because what the British side has done is in total disregard of the interests of the six million people of Hong Kong.

He said that an agreement had almost been reached up to the 17th round of talks on the arrangements for the voting method, voting age and appointed seats of the elections of the district boards and two municipal councils when the British side insisted on the resolution of the voting method for Legco in 1995.

The Chinese side held that that was a concrete issue, which may be left to the discussions on the elections of Legco instead of tying it to with the elections of the district boards and the two municipal councils.

However, Hong Kong Governor Chris Patten stressed in a statement to the Legislative Council in Hong Kong today that the British side did so from the political and practical point of view. "That is groundless," Lu asserted. "It is only a technical issue and there is no reason to break down the whole talks merely for a concrete issue. This serves as nothing but evidence to the deliberate sabotage of the talks by the British side."

He said that as early as on April 7 this year when the Chinese and British sides discussed the arrangements for talks on the elections in 1994 and 1995, the Chinese side told the British side definitely that if the British side should submit the electoral bill to the Legislative Council

of Hong Kong before the two sides reached any agreement, it would mean the unilateral termination of the talks by the British side. "We still adhere to this principle today," Lu reaffirmed.

Lu pointed out that it was merely a pretence and the play of tricks for Chris Patten to propose for the holding of the 18th round of talks today. "In essence, he is employing the tactics of having his bill discussed in the Legco while pretending to hold talks in an attempt to use the Legco to bring pressure to bear upon us," Lu said, adding "we shall not be taken in."

Lu Ping said that the Chinese Government will try every possible means to ensure the economic development, social stability and smooth transition of Hong Kong. "Our minds have been set at 100 years ahead instead of the few decades to come. That is our unshakable responsibility. We shall see that Hong Kong will remain a prosperous and stable Hong Kong after 1997," Lu stressed.

The delegation of the Democratic Alliance for the Betterment of Hong Kong arrived here on Wednesday [1 December] for a three-day visit to Beijing.

'Accuses' UK of 'No Sincerity'

HK0312084693 Hong Kong WEN WEI PO in Chinese 3 Dec 93 p 2

[By staff reporter Chen Chien-ping (7115 1696 1627): "Lu Ping Accuses the British Side of Showing No Sincerity and Disregarding the Interests of Hong Kong People"]

[Text] Beijing, 2 Dec (WEN WEI PO)—Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, disclosed here today that Qian Qichen, Chinese vice premier and foreign minister, had reiterated in his letter of reply to British Foreign Secretary Douglas Hurd that if the British side tabled its constitutional package to the Hong Kong Legislative Council [Legco] for discussion, in the absence of an agreement reached between the Chinese and British sides on the arrangements for the 1994 and 1995 elections, it would mean that the British side had unilaterally discontinued [zhong duan 0022 2451] and upset the talks and, therefore, the responsibility would rest entirely with the British side.

The Chinese Side Had Already Declared Its Stance in Early April

While meeting a delegation from the Democratic Alliance for the Betterment of Hong Kong this afternoon, Lu Ping made the above statement in response to a question raised by reporters about Chris Patten's announcement today of his decision to table parts of his constitutional reform package in Legco. Lu Ping said: From the Chinese Government's point of view, this is a question of principle. The Chinese Government replied to the British side before these talks, that is, on 7 April, that we agreed to open talks with them on five conditions, namely: The talks should be based on the "three conformities," the two sides are to be represented by one representative each rather than by a delegation, and so on. The fifth condition was very clear: If the British side unilaterally tabled its package to the Hong

Kong Legco in the absence of an agreement being reached between the two sides, this would imply a lack of sincerity on the British part towards the talks. In other words, this would mean that the British side had taken action to discontinue the talks. Lu Ping stressed that until now the Chinese Government's stance had remained the same—once the British side tabled the package, in full or in part, in Legco, it would imply that the British side had unilaterally upset the talks. This is a question of principle. The Chinese side has repeated its view on this question and its view in this regard remains the same.

Lu Ping said: We are not surprised at all at this outcome because the British side has shown no sincerity towards the talks since the very beginning. On our part, we, the Chinese Government, have exerted ourselves to the utmost during the talks to strive for an agreement favorable to Hong Kong's future, with a view to preserving long-term stability and prosperity in Hong Kong, to ensuring a real and stable transition in 1997, and to safeguarding the long-term interests of the 6 million Hong Kong compatriots. We have done a great deal of work toward this end.

Lu Ping said: The 17 rounds of talks experienced many twists and turns. It is pity that they finally led to this ending: the British side proposed in straightforward manner at the 17th round of talks that the so-called first-stage talks be ended. We were disappointed at this but to us it was not unexpected because the British side has had no sincerity all along. Lack of sincerity naturally led to the present outcome.

Breaking Down Because of a Minor Issue

Lu Ping said he was very heavy hearted because he felt that the British action completely ignored the interests of the 6 million Hong Kong people. The British side had just made use of a minor issue like this. The two sides had almost reached an agreement on the 1994 elections of district boards, the Urban Council, and the Regional Council. Only one very specific issue had yet to be solved—whether the applicability of the "single-vote, single-seat system" for the 1995 Legco elections must be decided definitely at the 17th round of talks. As we saw it, the 17th round of talks was to solve the issue concerning the arrangements for the 1994 elections of district boards, the Urban Council, and the Regional Council, and the question concerning the method for the 1995 Legco elections should be left to the next round of talks. However, when speaking to the Legco today, Mr. Patten said that his decision was based on both political and practical considerations. The political aspect has already been touched on above. As for his practical consideration, it does not hold water at all. We maintain that this is completely a technical problem which can be solved in two stages. He insisted that the solution of the problem in two stages is a waste of time. We just want it to be discussed separately on two different occasions because it is definitely worth spending a little more time to ensure a steady transition in Hong Kong. There is no reason at all why the whole talks should have broken up [po lie 4275 5933] just because of a specific issue like this.

Lu Ping said: We very much regret the present outcome. We are very disappointed and very heavy-hearted. For our part, as the Chinese Government, we very much hoped that the two sides could really reach an agreement favorable to Hong Kong through consultations. However, the development of affairs is going contrary to our expectations. After all, our aim cannot be achieved by wishful thinking. In spite of this, Lu Ping stressed, the Chinese Government will still try whatever it can to achieve a steady transition in Hong Kong and to ensure the long-term prosperity and stability of Hong Kong because we should take a long-term point of view in evaluating the development of affairs and we should anticipate Hong Kong's development in the next decades and the next century. We wish to see Hong Kong enjoying long-term prosperity and stability. This is our responsibility and there is no shirking that responsibility. Lu Ping noted: I would like to assure Hong Kong people that the Chinese Government will do everything it can to ensure continued development and stability in Hong Kong. It is the Chinese Government's belief that Hong Kong will be a prosperous and stable city in steady transition by 1997.

The Chinese Side Has Adopted a Very Flexible Attitude

Lu Ping said that regarding the arrangements for the elections of the district organization: in the talks, we have agreed to the age of 18 for voters; we have agreed to a single vote, single seat; as to the question of abolishing the appointment system, the Chinese side has disagreed in principle because implementation of a partial appointment system is more advantageous and convenient to the operation of the district boards and the two municipal councils and can make up for the shortcomings in the popularly elected members. Both the district boards and the two municipal councils need some professionals, such as doctors, accountants, lawyers, and engineers, and if these professionals have not been elected in the popular election, they can be supplemented through appointment. Moreover, this is the will of the people and 18 out of the 19 district boards have demanded retention of the appointment system. We must respect the people's will. However, the British side has resolutely disagreed with this. In order to reach an agreement, we have adopted a very flexible attitude. We have agreed that the British side can abolish the appointment system in the reelections in 1994 and, after 1997, the Government of the Hong Kong Special Administrative Region will appoint members to a small number of seats according to needs. This is a very flexible method and is usually used in diplomatic affairs. The British side has also agreed to this. At present, the only thing is that the British side insists on dragging in the issue of the 1995 Legco elections into the discussions for the 1994 elections. Lu Ping held that Patten did not tell the truth of the matter in his Legco statement today. What he said was totally at odds with the facts. The Chinese side will make public the actual state of affairs within a few days.

When asked whether or not the British side has used the participation of people's deputies in the elections as a condition in exchange for its demands in other aspects, Lu

Ping pointed out: The participation of people's deputies in elections in Hong Kong cannot be used for exchange or for doing business. The idea that people's deputies cannot participate in elections has fundamentally violated the Basic Law. No provision in the Basic Law excludes people's deputies or members of the Chinese People's Political Consultative Conference [CPPCC]. The exclusion of people's deputies and CPPCC members fundamentally violates the Basic Law and can in no way realize convergence. Besides, the provision concerning the "Election Committee" explicitly states that all people's deputies are members of the committee. This is not a question of making concession or not but a matter of recognizing facts or not. Therefore, this cannot be a condition for exchange.

It Makes People Worried About Cooperation in Other Fields

Lu Ping said that it can be imagined what the situation will be once the British side submits the proposals to Legco. For example, once Legco makes a resolution on "single vote, single seat," it will not approve another agreement reached between China and the United Kingdom. It will no longer be possible for the Sino-British talks to go on and everything will go in the direction of the Legco conductor's baton. This should never happen. Under such circumstances, China and the UK will have no way to go on with the talks.

When asked about whether or not the termination [zhong zhi 0022 2972] of the talks by the British side will affect cooperation in other aspects, Lu Ping said that he has a heavy heart precisely because he is considering this question. If China and the UK can reach an agreement there will be an atmosphere of cooperation. Big problems can be changed into small problems and complicated problems can be changed into simple problems. On the contrary, if the British side is unwilling to cooperate with us, it will make people feel worried about the cooperation in other fields, because cooperation does not depend on the willingness of one side alone and cannot be determined by one side alone. The elections in 1994 and 1995 in Hong Kong were originally a minor issue and did not matter much because there are provisions concerning them in the Basic Law. However, Patten has made them bigger and bigger and has used a higher and higher tone as if they have become central Hong Kong issues.

Lu Ping said that in the transitional period of three years and more, there are many problems to solve. In addition to politics, the economy is also a very important aspect. The main thing to maintain Hong Kong's value is still the economy. It is still necessary to depend on the value of Hong Kong's development and prosperity. The British Hong Kong Government should also earnestly do a good job in maintaining social order in Hong Kong because, under circumstances in which China and the UK do not cooperate politically, social order factors will become more complicated. Will some people who want to see the world plunged into chaos seize the opportunity to stir up trouble? The British Hong Kong Government should earnestly undertake the responsibility to guard against this.

The Political Affairs Group of the Preliminary Work Committee Should Step Up Its Work

While specifically discussing the issue of the new airport, Lu Ping said that it is still necessary to think of a way to promote the new airport project so that it can be built in accordance with the Memorandum of Understanding. The British side has made no concessions on the new airport issue either. One aspect is the financial arrangements and the management organization is also a big problem. Lu Ping said that on the whole, the Chinese Government will try its best to minimize as much as possible the negative impact on Hong Kong and will try to avoid or reduce the impact on the economy and other aspects.

Lu Ping said that under the present circumstances, the work of the Preliminary Work Committee will be strengthened and, in particular, the work of the Political Affairs Group should be grasped firmly. He disclosed that the third groups of Hong Kong Affairs Advisers will soon be appointed and the work of increasing the number of members of the Preliminary Work Committee should also be energetically carried out. The Chinese Government will make efforts, together with the people of Hong Kong, to bring about a safe transition in Hong Kong in the coming three and a half years.

UK 'Purposely Raised' 'Obstacles' in Talks

HK0212064893 Hong Kong WEN WEI PO in Chinese 1 Dec 93 p 2

[Editorial: "What Price Must the British Side Pay for Halting the Talks on Their Own Accord?"]

[Text] As a rule, the date for the next round of Sino-British talks is announced after each round has been completed. During the 17th round of talks, the Chinese side made the greatest of efforts, and the two sides should have reached an initial agreement on elections for the district councils and the two urban councils in 1994. However, the British side purposely dragged it feet on the issue of the 1995 elections for the Legislative Council, among other issues, and insisted in vain on settling these issues at the same time. Then the British side unilaterally proceeded to halt the first stage of talks and was not willing to fix a date for the 18th round. Therefore, the responsibility for the halted state of the present talks does not lie with the Chinese side. This halting was caused by obstacles that were purposely raised by the British side. The British side has purposely halted the talks. Over the past few days, the people of Hong Kong have strongly condemned the British side for intentionally creating disturbances and creating a situation which makes a smooth transition difficult.

Why did the British side want to halt the first stage of talks? Why was it not willing to reach an initial agreement and solve the problem of elections using the method of tackling easier issues first? The crux was that Patten had already put forward the strategy of "pulling the plug" and urged the public "to firmly walk in the direction of our responsibility." A member of the Executive Council also announced the intention of submitting in "piecemeal" fashion Patten's proposals to the Legislative Council and

the British side's intention to later put forward the request to continue the talks on the arrangements for the elections in 1995. The British side's purpose in taking unilateral action by trying to implement unilateral legislation before the signing of an initial agreement is to undermine the foundation for talks and create a pretext for "breaking down the talks" in order to shirk its responsibility and to put the blame on the other side.

In his remarks on the move taken by the British side, Wu Jianmin, the Chinese Foreign Ministry spokesman, said: "If the Sino-British talks break down, the responsibility lies with the British side." The Chinese side has made things clear. The "ball" is in the British court, and we shall see what its next step will be.

Patten held a meeting of the Executive Council yesterday but has not made any announcements. Apparently, Patten still has to ask for London's instructions and has not yet obtained authorization. For the British side, it will be indiscreet and risky if Patten's proposals are submitted "piecemeal." First, the British side will tell the world that it has "pulled the plug" and is not willing to advance along the track of the "three conformities." Second, the British side will be challenging Sino-British cooperation, and such a move will openly say that it is not willing to reach an initial agreement. This will create an unclear situation and will indicate that the British side does not have sincerity in fulfilling its promise of "tackling easier issues first." Third, the "deadline card" will not have any effect on China because an old "trick" will not provide room for maneuver. China will not yield to coercion. The public is clear on who is undermining the talks and who has set a deadline for ending the talks.

According to the Sino-British Joint Declaration, all unilateral moves taken by the British side to deal with issues straddling 1997 concerning the transfer of political power will be invalid. The British move of submitting the proposals piecemeal to the Legislative Council will in fact be "cutting itself into pieces." It will remove the possibility of the continuity in the so-called acts of legislation, will cut into pieces the plan for an honorable retreat by the British side, and will damage the long-term interests of the British side. If the advantages and disadvantages are weighed, it will be clear that pulling the plug would be a very foolish act.

On Thursday [2 Dec], a decision may be made at high levels in London. People are waiting to see whether the British side will be willing to continue the talks and propose a date for the 18th round of talks. If the British side decides to continue the talks, it will prove that the British side has been irresponsible in halting the first stage of the talks; such an act was totally unnecessary; the "deadline card" was wrongly played; and the United Kingdom has miscalculated Beijing's reaction. The British side will be compelled to withdraw its "deadline card" and resume the talks. If the British side decides not to continue the talks, it will prove that the British side is determined to go ahead along the road of "three violations" and ignore Hong Kong's smooth transition. Patten will then become even more isolated and will bear the responsibility of all the serious consequences arising from these actions.

The attitude of the Chinese side is very clear. The responsibility for breaking down the talks lies entirely with the British side. The Chinese side did not wish to see the emergence of such a situation. If the British side shows sincerity in adhering to the "three conformities" principle and is willing to return to the talks, the Chinese side will still express its welcome. Whether the talks will be successful is determined by cooperation between the two sides and does not depend on the sincerity of the Chinese side alone. If the British side is not willing to resume talks and is not willing to cooperate, the Chinese side will not be baffled. Even without the cooperation of the British, no so-called "disaster" will emerge in Hong Kong. China has the ability to act in accordance with the Basic Law, to realize the smooth transition of Hong Kong, and to maintain Hong Kong's prosperity and stability. The Preliminary Committee is well prepared and will immediately discuss the method for the formation of the first Legislative Council in case the British side "doesn't play fair." By that time, all the splendid plans of the British side will fall through. When it is time for the British to withdraw, they will still have to do so. Abandoning the mechanism of negotiation and cooperation mentioned in Annex II actually means abandoning the UK's long-term interests. After 1997 it will be too late for the British to repent over Patten's short-sighted and rash acts.

Editorial: Reform Bill 'High-Stakes Gamble'

HK0312043393 Hong Kong *SOUTH CHINA MORNING POST* in English 3 Dec 93 p 24

[Editorial: "High-Stakes Gamble"]

[Text] Mr Patten gambled heavily yesterday in announcing his timetable for legislating to introduce the "simple" elements of his electoral reform plan. He wagered carefully and thoughtfully but inevitably with high risk. The danger was, and is, that he would provoke such anger from China that all progress on the transition to Chinese rule would be frozen. He gambled, that is, with the future of Hong Kong.

China's initial reaction was indeed angry. But it was not definitive. There was a certain moderation of expression in China's counter-attack that leaves unlocked the gate to further talks, on economic and/or political issues. Yesterday's announcement seems not to have been, for China, the point of no return in the Governor's behavior. That would be the tabling of the electoral bill in the Legislative Council [Legco] next week.

Britain and China yesterday continued to blame each other for the impasse over electoral reform. It is clear, however, that there is such a gap in understanding and goodwill between both sides that each must accept blame for the failure to bridge it. The chasm between the sides has been formed by both culture and political practicalities. Nothing in Chinese history helps China understand a pluralistic, democratic society. Nothing in the nature of the Communist Party makes them want to understand it. Nor is there much in the historical relationship between Britain and China that makes one want to understand the other. So even the

"simple" electoral reforms—lowering the voting age, abolishing appointed seats and the single-seat, single-vote polling system—are matters of disagreement.

Enter the political practicalities. Both sides understand enough about voting to know that the nature of a voting system has a big impact on the results it produces. Put the two factors together and agreement becomes very difficult.

So Mr Patten's announcement is not so much right or wrong as inevitable (given that he is committed to some measure of reform). The alternative would be to scrap his reforms. China and many leaders of Hong Kong business groups would see this as desirable. But such a view is unrealistic. Mr Patten is no more likely to junk his own plan than China is to embrace it.

The appropriate action, therefore, was to put the "simple" elements before Legco, as the only (if imperfect) representation of community opinion. Let Legco decide on them. And leave the door open to more talks on the issues affecting Legco's future composition.

The action, however, remains a gamble—that China will continue to see that its self-interest (and the best interests of Hong Kong) lie in continuing talks on the territory's return to its sovereignty. All wagers are risky and the poor relationship between the two countries make this one particularly so. But China's measured early response suggests the bet might not yet be lost.

Editorial: 'War of Words' Must Not Harm Economy

*HK0312043493 Hong Kong THE STANDARD in English
3 Dec 93 p 1*

[Editorial: "Politics Must Give Way to the Economy"]

[Text] The collapse of the Sino-British negotiations over our political future comes as no surprise, now that Governor Chris Patten has announced firm plans to table a partial package of his reform proposals.

All the signs in the last couple of months have pointed to this. Beijing, London, Patten and XINHUA officials have made no bones about it.

We, Hong Kong people, should now brace ourselves for a mighty war of words. There is nothing we can do about this.

But we can, and we should, make clear to both Beijing and London in no uncertain terms that this war of words must not be at the expense of our economic well-being. All organisations, all legislative councillors, members of the Preliminary Working Committee, National People's Congress, CPPCC, district boards, municipal councils and prominent citizens should publicly call on both Beijing and London to keep political and economic matters separate as far as possible.

Both Beijing and London should be told loudly and clearly that any damage to our economy hurts them as much as it hurts us. They should also be reminded that if they had the slightest bit of interest in our well-being, they would get

back to the negotiating table and resolve their differences. It is never too late. And no amount of face is worth damaging our economy.

Patten, as the one who started it all, has a moral obligation to think of an honorable way out of this impasse. China, the far stronger adversary and our future sovereign, has a duty to safeguard our welfare.

That welfare lies in stability and continued prosperity. Of what use is a devastated Hong Kong to anyone?

Reform Bill 'Set To Pass' in Legislative Council *HK0312043693 Hong Kong THE STANDARD in English 3 Dec 93 p 4*

[By M.Y. Sung and Michael Smith]

[Text] The Governor Chris Patten's constitutional reform bill has won the support of Hong Kong's three key political factions and looks set to pass through the Legislative Council.

But legislators feared the move would jeopardise further negotiations with China, destroying the hope of a smooth transition in 1997.

The reaction outside the Legislative Council building was also mixed where groups of both pro-democracy and pro-China protesters waited to either support or condemn Patten's announcement.

Two pro-democracy demonstrators interrupted Patten's speech when they unrolled a banner calling for a referendum on political reform.

Security guards quickly escorted the men out of the building.

The United Democrats (UDHK) reiterated its plans to amend the bill by including Patten's original reform package.

But the UDHK's 12 members in the Legislative Council will support the partial bill if its amendments are not passed.

UDHK vice-chairman Yeung Sum said the British side had failed to appease China by making concessions on the original proposals.

"If the Chinese government does not accept the bill being split as a gesture of sincerity and is not going to take part in the talks, I cannot see why the administration does not table the complete original bill for legislation," Yeung said. The UDHK urged Britain and China to continue negotiations, but warned further concessions should not be made for the sake of an agreement.

"We urge the two sides that they should not go only for the sake of agreements because they should also cater for the needs for further pace of democracy for the Hong Kong people," Yeung said.

But conservative groups feared Patten had jeopardised future Sino-British negotiations.

Liberal Party leader Allen Lee called on Patten to postpone the bill's introduction if China agreed to continue talks before the legislation was gazetted.

The Liberal Party's 14 legislators will support the bill.

The Democratic Alliance for the Betterment of Hongkong (DAB) called on China to open the daily accounts to reveal the reasons for the breakdown.

Speaking in Beijing, DAB member Gary Cheng said Patten had gone too far by deciding to table the bill, and proposing a further round of negotiations at the same time.

Cheng said he was concerned Britain would adopt the same confrontational policy when dealing with other China issues.

Meeting Point leader Fred Li supported the partial bill but his party could reject the clause allowing National People's Congress (NPC) delegates to stand for elections.

Association for Democracy and People's Livelihood (ADPL) also supported the introduction of the partial bill.

Pro-democracy independents accused Patten of backing down on his original reform proposal.

"I think the British government has a very solid record of backing down, and I think we are going to see much more backdowns in the next few weeks and months" independent legislator Emily Lau said.

Independent Christine Loh said she could not understand the motives behind Patten's decision.

Independent Eric Li supported the partial bill but urged Britain and China to release details of the talks.

Patten warded off a barrage of questions from legislators after his announcement.

United Democrats Cheung Man-kwong questioned the government's credibility, accusing Patten of breaking his word to the Hong Kong people by splitting his original election package.

Meeting Point legislator Zachary Wong wanted to know why the original reform bill was not being tabled.

PRC 'Does Not Recognize' UK Nationality Plan

HK2911150493 Hong Kong Television Broadcasts Limited
in English 1200 GMT 29 Nov 93

[From "News at 8:00" program]

[Text] Chinese officials have again ruled out recognizing the British Nationality Scheme; in other words, a Hong Kong citizen who has won the right of abode in Britain under the scheme will be denied foreign consular protection, but at the same time he or she is still classified as a foreigner in other laws. Diana Lin reports from Beijing:

[Begin Lin recording] After meeting with a senior official at the Chinese Foreign Ministry, Wang Guisheng, a group of Wanchai District Board members led by Peggy Lam reported that they were told again China does not recognize the British Nationality Scheme, which gives some Hong Kong citizens right of abode in the UK without living there. So if

problems arose for those residents still in Hong Kong after 1997, they won't get protection from the future British consulate in the territory. That is because they will be regarded as any other Chinese citizen residing in Hong Kong.

The district board [DB] members also quoted officials as saying those residents with British right of abode would, however, be subjected to the 20-percent quota stipulated in the Basic Law, like any other foreigner, if they ran for seats in the future legislature. The district board members felt that is a double standard, but they were only assured by the Foreign Ministry that the details are still to be worked out.

The Wanchai District Board members held their impromptu news conference at the Tianlun Dynasty Hotel where they were staying. Hotel staff suddenly broke up the conference, charging that no permission had been given. A shouting match broke out, pitching DB members and reporters against the hotel. Then TV crews were barred from leaving the hotel with their tapes and equipment. Hotel security staff guarded all the doors and accused them of conducting illegal reporting; another altercation ensued. [A man speaking in Mandarin states that news reporters had not obtained the hotel's permission] The news media were finally allowed to leave after Peggy Lam conferred with the hotel manager. Diana Lin, TVB News, Beijing. [end recording]

Beijing Not To Admit 'Anti-China' Activists

HK0312043093 Hong Kong SOUTH CHINA MORNING
POST in English 3 Dec 93 p 9

[By Daniel Kwan]

[Text] A Chinese official yesterday said Beijing would continue to deny any individuals who were suspected of engaging in anti-China activities the right to return to the country.

Vice-Minister of Public Security Tian Qiyu made clear that Beijing would not change its hardline stance in dealing with activists such as unionist Han Dongfang and former Hong Kong student leader Yiu Yung-chin.

Mr Tian made the remark in a meeting with a delegation from the Democratic Alliance for the Betterment of Hong Kong (DAB) in Beijing yesterday.

While Mr Yiu is a permanent Hong Kong resident, Mr Han, whose Chinese passport was declared ineffective by the Ministry of Public Security about four months ago, is still, legally speaking, a Chinese citizen.

Mr Tian's comment was expected to raise the question whether a sovereign government has the right to deny its own citizens the right to return to the country.

"For example, there will be some sort of control for people like Han Dongfang and Yiu Yung-chin," Mr Tian said.

"Because these people have engaged in activities against the Chinese Government. Every government has its own sets of rules on exit and entry... freedom is only relative," he said.

"But for the vast majority of Hong Kong people, there will be no control. They will enjoy the freedom of travel (after 1997)."

According to the vice minister, China would replace the present Home Return Permit with a special certificate for Hong Kong people to travel to and from the territory and the mainland after 1997.

And according to Cheng Kai-nam, one of the DAB delegates, there would be "conditions" in guiding officials to decide whether an individual was qualified for admission.

"It would not be because an individual has said something against the Chinese Government and then an official would decide that he would be disqualified from returning to China," Mr Cheng said.

But neither Mr Tian nor Mr Cheng explained what the conditions would be and who should be responsible for setting them.

Their remarks drew criticism from the activist camp, which blasted the arrangement as a "naked act of trespassing on the human rights of Chinese people".

Li Lanqing Receives Hong Kong Industrialists

OW0212152293 Beijing XINHUA in English 1344 GMT 2 Dec 93

[Text] Beijing, December 2 (XINHUA)—Chinese Vice-Premier Li Lanqing today met an observation group here from the Federation of Hong Kong Industries.

Li welcomed the HK guests and answered their questions about China's resuming its status in the General Agreement on Tariffs and Trade, next year's reform of the economic structure, trade and foreign currency system.

Li noted that China's reform and opening to the outside world is not only for the resumption of GATT status, but carried out in accordance with Deng Xiaoping's correct principle of building socialism with Chinese characteristics.

He said China was now concentrating on expanding the reforms and realizing the reform programs so as to build up the socialist market economy as soon as possible.

As the mainland opens wider to the outside world, he said, the future will be more bright for the Hong Kong entrepreneurs to conduct economic and technological cooperation with mainland partners.

He said that to keep Hong Kong prosperous and stable was not only the need of Hong Kong but also of China's economic construction.

The group was invited by the All-China Federation of Industry and Commerce.

Set up in 1960, the Federation of HK Industries has more than 2,000 members covering 22 trades.

XINHUA Director Zhou Nan Visits Yunnan

HK0312095193 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 30 Nov 93

[Excerpt] Last night [29 November], provincial party Secretary Pu Chaozhu held a banquet at the Kunming Hotel for a delegation of Hong Kong affairs advisers. Pu Chaozhu said: In the last few days, the delegation of Hong

Kong affairs advisers—accompanied by Mr. Zhou Nan, director of the Hong Kong Branch of the XINHUA NEWS AGENCY, and others—has visited Kunming and the prefecture of Xishuangbanna. I believe that Yunnan Province has made a deep impression on everyone after a visit of several days. I welcome everyone's valuable opinions. So far, Yunnan Province has established friendly exchanges, as well as economic and trade relations, with more than 100 countries and regions. The provincial party committee and government have decided to regard southeast and south Asia as important regions for the province's development of foreign relations. Yunnan's friendly exchanges and cooperation with these regions are in a good state of overall development.

Pu Chaozhu continued: Yunnan has close exchanges and cooperation with Hong Kong. We hope to maintain and develop these cooperative relations in the future. We sincerely hope that the Hong Kong affairs advisers will offer their advice for cooperation between Yunnan and Hong Kong, and we welcome everyone and his wife to come to Yunnan frequently.

Hong Kong XINHUA Director Zhou Nan said: We are very pleased with the current visit, which has improved our understanding of Yunnan and our friendship with it. In a little more than three years, Hong Kong will return to the motherland. Despite some setbacks, we believe the Chinese Government is confident and is able to ensure Hong Kong's smooth return and steady transition. Hong Kong's relations with Yunnan are becoming closer now. Let us make common efforts for and contributions to Hong Kong's prosperity and Yunnan's economic development. [passage omitted]

Sing Tao Plans Mainland Joint Venture Daily

HK2611083593 Hong Kong AFP in English 0800 GMT 26 Nov 93

[Text] Hong Kong, Nov 26 (AFP)—Sing Tao Holdings, the globe-girdling Hong Kong press group, signed an agreement Friday to set up China's first Sino-foreign joint venture daily newspaper.

The Shenzhen Hong Kong ECONOMIC DAILY will likely debut in the new year, and circulate both in the British colony and the neighboring Shenzhen Special Economic Zone, a Sing Tao executive said. The value of the project was not disclosed, but the executive said the Chinese partner—the Shenzhen News Publishing Center—would hold a controlling stake of 51 percent.

The semi-official China News Service said it would be the first Sino-foreign joint venture daily newspaper in China, where the news media has always been kept under close rein by the Chinese Communist Party.

Sing Tao publishes one of Hong Kong's most popular morning newspapers, as well as its best-selling evening daily. It also pioneered the use of satellite technology to produce a host of Chinese-language newspapers overseas. Since July it has been cooperating with the Communist Party's flagship newspaper, the PEOPLE'S DAILY [RENMIN RIBAO], in publishing a magazine in Beijing.

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